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PROSPECTUS
Dated: August 25, 2023
Please read Section 32 of the Companies Act, 2013
100% Book Built Issue

AEROFLEX INDUSTRIES LIMITED

Corporate Identity Number: U24110MH1993PLC074576

REGISTERED OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
Plot No. 41, 42/13, 42/14 & 42/18, near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai - 410 208, Maharashtra, India.	Ms. Kinjal Kamlesh Shah, Company Secretary and Compliance Officer	**Telephone:** +91 22 61467100/ 22 22850888 **Email**: corporate@aeroflexindia.com	www.aeroflexindia.com

OUR PROMOTER: SAT INDUSTRIES LIMITED

DETAILS OF THE OFFER

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBLITY AND RESERVATION
Fresh Issue and Offer for Sale	15,000,000^ Equity Shares of face value ₹2/- each aggregating to ₹1,620.00 million of Aeroflex Industries Limited ("**Company**" or the "**Issuer**") for cash at price of ₹108/- per Equity Share (including a share premium of ₹106/- per Equity Share) ("**Offer Price**")	17,500,000^ Equity Shares of face value ₹2/- each aggregating to ₹1,890.00 million by Sat Industries Limited ("**Promoter Selling Shareholder**") ("**Offer For Sale**") for cash at price of ₹108/- per Equity Share (including a share premium of ₹106/- per Equity Share).	32,500,000^ Equity Shares of Face Value ₹2/- each aggregating to ₹3,510.00 million	The Offer was made with compliance to Regulation 6(1) of the SEBI ICDR Regulations. For further details, please refer to chapter titled "*Other Regulatory and Statutory Disclosures – Eligibility for the Offer*" on page 280. **SHARE RESERVATION AMONG QIBs, NIIs, RIIs AND HOLDING COMPANY ELIGIBLE SHAREHOLDER** For details pertaining to reservation among QIBs, NIBs, RIBs and Holding Company Eligible Shareholder Reservation, please refer to chapter titled "*The Offer*" and "*Offer Structure*" on page 69 and 299.

DETAILS OF PROMOTER SELLING SHAREHOLDER, OFFER FOR SALE AND AVERAGE COST OF ACQUISTION

NAME OF THE PROMOTER SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OF FACE VALUE ₹2/- EACH OFFERED AND AMOUNT	WEIGHTED AVERAGE COST OF ACQUISTION PER EQUITY SHARE (IN ₹)*
Sat Industries Limited	Promoter Selling Shareholder	17,500,000 Equity Shares of face value ₹2/- each aggregating to ₹1,890.00 million.	1.95*

RISKS IN RELATION TO THE FIRST OFFER

This was the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of Equity Shares is ₹2/- each. The Floor Price, Cap Price and Offer Price (determined by our Company (acting through its IPO Committee) and the Promoter Selling Shareholder, in consultation with the BRLM and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process in accordance with the SEBI ICDR Regulations, and as stated in chapter titled "*Basis for Offer Price*" on page 114, 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 active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this 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 this 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 Prospectus. Specific attention of the investors is invited to chapter titled "*Risk Factors*" on page 37 of this Prospectus.

OUR COMAPNY'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 Prospectus is true and correct in all material aspects and is not misleading in any material respect, that opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this 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 to only those statements specifically made or confirmed by the Promoter Selling Shareholder in this Prospectus to the extent of information specifically pertaining to it and/or its portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Promoter Selling Shareholder assumes no responsibility for any other statements, disclosures or undertaking in this Prospectus, including, inter alia, any and all of the statements, disclosures or undertaking made by or relating to our Company or its business.

LISTING

The Equity Shares of face value ₹2/- each 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 Limited**"). Our Company has received 'in-principle' approvals from the Stock Exchanges for the listing of the Equity Shares pursuant to letters dated June 12, 2023 and June 13, 2023 from BSE and NSE Limited respectively For the purposes of the Offer, BSE Ltd. is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER
PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED **Reg. Office:** Pantomath Nucleus House, Saki Vihar Road, Andheri East, Mumbai - 400 072 Maharashtra, India. **Telephone:** +91-22 6194 6700, **Email and Investor Grievance Id:** ipo@pantomathgroup.com **Website:** www.pantomathgroup.com **Contact Person:** Bharti Ranga **SEBI Registration No**: INM000012110	**LINK INTIME INDIA PRIVATE LIMITED** C-101, 247 Park, 1st Floor, L.B.S. Marg, Vikhroli West, Mumbai - 400 083, Maharashtra, India. **Telephone:** +91 8108114949 **Email/ Investor grievance Email: :** aeroflexindustries.ipo@linkintime.co.in **Website:** www.linkintime.com **Contact person: Shanti Gopalkrishnan** **SEBI Registration No:** INR000004058

BID/OFFER PERIOD

ANCHOR INVESTOR BID/OFFER PERIOD	**Monday, August 21, 2023(1)**
BID/OFFER OPENED ON	**Tuesday, August 22, 2023(1)**
BID/OFFER CLOSED ON	**Thursday, August 24, 2023(2)**

(1) The Anchor Investors Bid/Offer period was one Working Day prior to the Bid/Offer Opening Date.
(2) UPI mandate end time and date was at 5:00 pm on the Bid/Offer Closing Date.
**As certified by M/s Shweta Jain & Co., Chartered Accountants the statutory auditors of our Company pursuant to their certificate dated August 25, 2023.*
^Subject to finalization of the Basis of Allotment.

PROSPECTUS
Dated: August 25, 2023
Please read Section 32 of the Companies Act, 2013
100% Book Built Issue

AEROFLEX INDUSTRIES LIMITED

Aeroflex Industries Limited ("**Company**" or "**Issuer**") was originally incorporated as '*Suyog Intermediates Private Limited*' as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai vide certificate of incorporation dated October 19, 1993. Pursuant to special resolution passed by shareholders of our Company in extra-ordinary general meeting dated October 03, 1998, the name of our Company was changed to '*Aeroflex Industries Private Limited*' and a fresh certificate of incorporation dated October 28, 1998 was issued by Registrar of Companies Maharashtra, Mumbai. Subsequently, pursuant to a special resolution passed by shareholders of our Company in the extra-ordinary general meeting dated July 25, 2006 our Company was converted from a private limited company to a public limited company and consequently the name of our Company was changed to '*Aeroflex Industries Limited*', and a fresh certificate of incorporation dated August 23, 2006 was issued to our Company by the Registrar of Companies, Maharashtra, Mumbai. For details of change in the name of our Company and Registered Office of our Company, please refer to chapter titled "*History and Certain Corporate Matters*" on page 181 of this Prospectus.

Registered Office: Plot No. 41, 42/13, 42/14 & 42/18, near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai - 410 208, Maharashtra, India. **Telephone:** +91 91 22 61467100/ 22 22850888
Contact Person: Kinjal Kamlesh Shah, Company Secretary and Compliance Officer; **Email:** corporate@aeroflexindia.com **Website:** www.aeroflexindia.com
Corporate Identity Number: U24110MH1993PLC074576

OUR PROMOTER- SAT INDUSTRIES LIMITED

INITIAL PUBLIC OFFER OF 32,500,000^ EQUITY SHARES OF FACE VALUE ₹2/- EACH ("EQUITY SHARES") OF AEROFLEX INDUSTRIES LIMITED FOR CASH AT A PRICE OF ₹108/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹106/- PER EQUITY SHARE) (THE "OFFER PRICE"), AGGREGATING ₹3,510.00 MILLION ("OFFER") COMPRISING OF A FRESH ISSUE OF 15,000,000^ EQUITY SHARES AGGREGATING ₹1,620.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF 17,500,000 EQUITY SHARES AGGREGATING TO ₹1,890.00 MILLION COMPRISING OF 17,500,000 EQUITY SHARES BY SAT INDUSTRIES LIMITED ("PROMOTER SELLING SHAREHOLDER") ("THE OFFER FOR SALE"). THE OFFER WILL CONSTITUTE 25.13 % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹2/- EACH. THE OFFER INCLUDES A RESERVATION OF 500,000 EQUITY SHARES, AGGREGATING ₹ 54.00 MILLION (CONSTITUTING TO 0.39% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY HOLDING COMPANY ELIGIBLE SHAREHOLDER.THE OFFER LESS THE RESERVATION PORTION OF HOLDING COMPANY ELIGIBLE SHAREHOLDER IS HEREINAFTER REFERRED TO AS THE NET OFFER. THE OFFER AND THE NET OFFER CONSTITUTE 25.13% AND 24.74% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

The Offer was 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 was made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer was available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), Our Company and Promoter Selling Shareholder in consultation with the BRLM allocated up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation was on a discretionary basis by our Company and Promoter Selling Shareholder, in consultation with the BRLM, in accordance with the SEBI ICDR Regulations (the "Anchor Investor Portion"), of which one-third was reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("Anchor Investor Allocation Price"). Further, 5% of the Net QIB Portion was made 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 Portion was 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. Further, not less than 15% of the Offer was available for allocation to Non-Institutional Investors ("Non-Institutional Category") of which one-third of the Non-Institutional Category was made 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 was available for allocation to Bidders with an application size of more than ₹ 1,000,000. Further, not less than 35% of the Offer was made available for allocation to Retail Individual Investors ("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) were required to mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("ASBA") process and did provide details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter) in which the Bid Amount was blocked by the Self Certified Syndicate Banks ("SCSBs") or pursuant to the UPI Mechanism, as the case may be. Anchor Investors were no permitted to participate in the Anchor Investor Portion through the ASBA process.

RISK IN RELATION TO THE FIRST OFFER

This was the first public offer of Equity Shares of our Company and hence there has been no formal market for the Equity Shares of our Company. The face value of Equity Shares is ₹2/- each. The Floor Price, Cap Price and Offer Price (determined and justified by our Company (acting through its IPO Committee) and the Promoter Selling Shareholder, in consultation with the BRLM and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process in accordance with the SEBI ICDR Regulations, and as stated in chapter titled "*Basis for Offer Price*" on page 100, 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 active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares of face value ₹2/- each in the Offer 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 Prospectus. Specific attention of the investors is invited to the chapter titled "*Risk Factors*" on page 37 of this Prospectus.

OUR COMPANY'S AND PROMOTER SELLING SHAREHOLDER ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. The Promoter Selling Shareholder accepts responsibility for and confirms the statements made by it in this Prospectus to the extent of information specifically pertained to them and its portion of Offered Shares and assume 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 statements, disclosures or undertaking in this Prospectus, including, inter alia, any and all of the statements, disclosures or undertaking made by or relating to our Company or its business.

LISTING

The Equity Shares of face value ₹2/- each offered through this Prospectus are proposed to be listed on BSE Limited and NSE Limited (collectively referred to as "**Stock Exchanges**"). Our Company has received '*in-principle*' approvals from the Stock Exchanges for the listing of the Equity Shares pursuant to letters dated June 12, 2023 and June 13, 2023 from BSE and NSE Limited respectively. For the purposes of the Offer, the Designated Stock Exchange shall be BSE Limited. A signed copy of this Prospectus has been delivered to the RoC in accordance with Section 32 of the Companies Act, 2013. For details of the material contracts and documents that were available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 382 of this Prospectus.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER
PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED **Reg. office:** Pantomath Nucleus House, Saki Vihar Road, Andheri East, Mumbai - 400072 Maharashtra, India. **Telephone:** +91-22 6194 6700, **Email and Investor Grievance Id:** ipo@pantomathgroup.com **Website:** www.pantomathgroup.com **Contact Person:** Bharti Ranga **SEBI Registration No**: INM000012110	**LINK INTIME INDIA PRIVATE LIMITED** C-101, 247 Park, 1st Floor, L.B.S. Marg, Vikhroli West, Mumbai, 400 083, Maharashtra, India. **Telephone:** +91 22 4918 6200 **Email/ Investor grievance email: :** aeroflexindustries.ipo@linkintime.co.in **Website:** www.linkintime.com **Contact person: Shanti Gopalkrishnan** **SEBI Registration No:** INR000004058

BID/OFFER PROGRAMME

ANCHOR INVESTOR BID/OFFER PERIOD	**Monday, August 21, 2023(1)**
BID/OFFER OPENED ON	**Tuesday, August 22, 2023(1)**
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(2UPI mandate end time and date was 5:00 pm on the Bid/Offer Closing Date.
^Subject to finalization of the Basis of Allotment.

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SECTION 1 – GENERAL
DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise specified or indicates, requires or implies, shall have the meaning as provided below. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Notwithstanding the foregoing, terms in the sections "Statement of Tax Benefits", "Industry Overview", "Key Industry Regulations and Policies in India", "Basis for Offer Price", "History and Certain Corporate Matters", "Restated Consolidated Financial Information", "Outstanding Litigation and Material Developments", "Description of Equity Shares and terms of Articles of Association" and "Offer Procedure" on pages 219 ,123 , 176, 114, 181, 222, 264, 330 and 304, respectively, will have the meaning ascribed to such terms in these respective sections.

The words and expressions used in this Prospectus but not defined herein shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the following definitions shall prevail.

General Terms

Term	Description
"Company", "our Company", "Aeroflex", "the Company", "the Issuer/" or "AIL"	Aeroflex Industries Limited, a company incorporated under the Companies Act, 1956, having its registered office at Plot No. 41, 42/13, 42/14 & 42/18, near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai - 410 208, Maharashtra, India.
"we", "us", or "our"	Unless the context otherwise indicates or implies, refers to our Company.

Company and Promoter Selling Shareholder Related Terms

Term	Description
Articles/Articles of Association / AoA	The Articles/ Articles of Association of our Company, as amended from time to time.
Audit Committee	Audit committee of our Board constituted in accordance Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended as described in chapter titled "*Our Management*" on page 187 of this Prospectus.
Auditor / Statutory Auditor/ Peer Review Auditor	M/s. Shweta Jain & Co., Chartered Accountants the Statutory and peer review auditor of our Company, having their office at G-007, Om Sai Enclave, Near Gracious School, Poonam Sagar Complex, Mira Road (East), Thane – 401107, Maharashtra, India.
Board / Board of Directors/ Directors	Board of directors of our Company.
Chairman	The Chairman of our Board namely Asad Daud
Chief Financial Officer / CFO	The chief financial officer of our Company, namely Mustafa Abid Kachwala
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely Kinjal Kamlesh Shah.
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board constituted in accordance with the Companies Act, 2013 as described in chapter titled "*Our Management*" on page 187 of this Prospectus.
D&B	Dun & Bradstreet Information Services India Private Limited

Term	Description
D&B Report	Report titled "*Industry Analysis on Flexible Flow Solutions Market in India*" dated March 29, 2023 prepared by Dun & Bradstreet Information Services India Private Limited, which is exclusively prepared for the purpose of the Offer and is commissioned and paid for by our Company. D&B was appointed pursuant to an engagement letter dated March 22, 2023 entered into with our Company. D&B Report is available on the website of our Company at www.aeroflexindia.com
Director(s)	Director(s) on the Board of our Company, appointed from time to time.
Equity Shares	Equity shares of our Company bearing face value of ₹2/- each.
ESOP 2022	The employee stock option scheme of our company namely, "Employee Stock Options Plan – 2022" approved by the members of the Company at the 28th AGM held on September 03, 2022
Executive Directors	Executive directors of our Company. For details, refer chapter titled "*Our Management*" on page 187 of this Prospectus.
Group Company	Group company of our Company in accordance with the SEBI ICDR Regulations. For details, see "*Our Group Company*" beginning on page 215.
Independent Director(s)	The independent director(s) of our Company. For details of Independent Directors, see chapter titled "*Our Management*" on page 187 of this Prospectus.
IPO Committee	The IPO committee of our Board constituted pursuant to a resolution passed by our Board on September 17, 2021 to facilitate the process of the Offer, as described in chapter titled "*Our Management*" on page 187 of this Prospectus.
Key Managerial Personnel / KMP	Key management personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and Regulation 2(1)(bb) of the SEBI ICDR Regulations as described in the chapter titled "*Our Management – Key Managerial Personnel*" on page 187 of this Prospectus .
Managing Director	Asad Daud, managing director of our Company
Manufacturing Unit	Plot No. 41, 42/13, 42/14 & 42/18, near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai - 410 208, Maharashtra, India.
Materiality Policy	A policy adopted by our Company, in its Board meeting held on May 20, 2022 for identification of group companies, material creditors and material outstanding litigations.
Memorandum of Association/ MoA.	Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The Nomination and Remuneration committee of our Board in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. For details, please refer to chapter titled "*Our Management*" on page 187 of this Prospectus.
Non-Executive Directors	Non-Executive Director of our Company. For details, please refer to chapter titled "*Our Management*" on page 187 of this Prospectus .
Preference Share Capital	Preference Share Capital of our Company consisting of 'Series A Compulsory Convertible Preference Shares of face value ₹10/- each; and Series A Compulsory Convertible Preference Shares of face value ₹200/- each'.
Preference Shares of ₹10/- each	'Series A Compulsory Convertible Preference Shares of our Company carrying a face value ₹10/- each.
Preference Shares of ₹200/- each	'Series A Compulsory Convertible Preference Shares of our Company carrying a face value ₹200/- each.
Promoter Group	The entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see "*Our Promoter and Promoter Group*" on page 206 of this Prospectus
Promoter/Sole Promoter /Corporate Promoter / Promoter Selling Shareholder	The sole promoter of our Company namely, Sat Industries Limited having its registered office at 121, B-Wing, Mittal Tower, Nariman Point, Mumbai – 400 021, Maharashtra, India.

Term	Description
Promoter Secondary Transaction	Together Ashish Kacholia, Bengal Finance and Investment Private Limited, Samedh Trinity Partners, Mitul Prafulbhai Mehta, Jagdish N. Master, Carnelian Structural Shift Fund, Rosy Blue (India) Private Limited, Shyamsunder Basudev Agarwal, VPK Global Ventures Fund and Rajnikkumar Sureshbhai Savaliya HUF.
Registered Office	The registered office of our Company situated at Plot No. 41, 42/13, 42/14 & 42/18, near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai - 410 208, Maharashtra, India.
Registrar of Companies/ RoC	Registrar of Companies, Mumbai at Maharashtra.
Restated Financial Statements /Restated Financial Information/ Restated Consolidated Financial Information	The restated consolidated financial information of our Company as at and for the Financial Years 2023, 2022 and 2021, comprising the restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statement of profit and loss and other comprehensive income, the restated consolidated statement of cash flows and the restated consolidated statement of changes in equity for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies, and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI, as amended from time to time For details, please refer to chapter titled "*Financial Information*" on page 222 of this Prospectus.
Promoter Selling Shareholder	The Sole Promoter of our Company and sole Promoter Selling Shareholder in this Offer i.e., Sat Industries Limited.
Senior Management	Senior management of our Company in terms of the SEBI ICDR Regulations. For details, see "*Our Management*" on page 187 of this Prospectus
Shareholder(s)	Shareholders of our Company.
Stakeholders' Relationship Committee	Stakeholders' Relationship Committee of our Board in accordance with Regulation 20 of the SEBI Listing Regulations as described in chapter titled "*Our Management*" on page 187 of this Prospectus.
U.K. Subsidiary	The wholly owned subsidiary of our Company, namely, Aeroflex Industries Limited (U.K.) incorporated with Registrar of Companies England & Wales and having its office at 71-75 Shelton Street, Convent Garden, London, England, WC2H9JQ, United Kingdom.
Whole-Time Directors	The whole-time directors of our Company

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged Prospectus means a memorandum containing salient features of a prospectus as may be specified by the SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary (ies) to a Bidder as proof of registration of the Bid Cum Application Form.
Allot/Allotment/Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of Offered Shares pursuant to the Offer for Sale to the successful Bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to each successful Bidder who have been or are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges.
Allottee	A successful Bidder to whom the Equity Shares are Allotted.

Term	Description
Anchor Investor(s)	A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Offer Documents and who has bid for an amount of atleast ₹ 100 million.
Anchor Escrow Account/Escrow Account(s)	Account opened with Anchor Escrow Bank for the Offer and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS in respect of the Bid Amount when submitting a Bid.
Anchor Investor Allocation Price	The price at which Equity Shares were allocated to the Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, decided by our Company (acting through its IPO Committee) in consultation with the BRLM in the Anchor Investor Bid/ Offer Period which is ₹108/- per Equity Share of face value ₹2/- each.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and that was considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus.
Anchor Investor Bid/ Offer period/ Anchor Investor Bidding Date	August 21, 2023, being 1 Working Day prior to the Bid/ Offer Opening Date, on which Bids by the Anchor Investors were submitted and allocation to the Anchor Investors was completed
Anchor Investor Offer Price	The final price i.e., ₹108/- per Equity Share of face value ₹2/- each at which the Equity Shares were Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus. The Anchor Investor Offer Price was decided by our Company (acting through its IPO Committee) in consultation with the BRLM.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s) was the Anchor Investor Bidding Date
Anchor Investor Portion	60% of the QIB Portion i.e., 9,599,980 Equity Shares, allocated by our Company (acting through its IPO Committee) and the Promoter Selling Shareholder in consultation with the BRLM, to Anchor Investors, on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by a Bidder, other than Anchor Investors, to make a Bid and authorize a SCSB to block the Bid Amount in the ASBA account and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB which were blocked by such SCSB or the account of the RIBs blocked upon acceptance of UPI Mandate Request by the RIBs using the UPI Mechanism to the extent of the Bid Amount of the ASBA Bidder.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
ASBA Bidders	All Bidders except Anchor Investors who make a Bid pursuant to the terms of the Red Herring Prospectus and Prospectus and the Bid cum Application Form.
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Bidders and which was considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Offer/ Sponsor Bank/ Refund Bank/ Public Offer Bank	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Banks, as the case may be.
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Procedure*" on page 304 of this Prospectus.

Term	Description
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or as blocked in the ASBA Account, as the case maybe, upon submission of the Bid in the Offer.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form including through UPI mode (as applicable), as the context requires.
Bid Lot	130 Equity Shares and in multiple of 130 Equity Shares, thereafter.
Bid(s) /Bidding	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid /Offer Period by the Anchor Investors, pursuant to submission of Anchor Investor Application Form including through UPI mode (as may be applicable), to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Prospectus and Bid cum Application form. The term "Bidding" shall be construed accordingly.
Bid/ Offer Closing Date	Except in relation to the Bids received from the Anchor Investors, the date after which the Designated Intermediaries stopped accepting any Bids, being Wednesday, August 23, 2023 which was published in English national daily newspaper Business Standard, Hindi national daily newspaper Business Standard and Marathi regional daily newspaper, Navshakti, Marathi being the regional language of Maharashtra, where our Registered Office is located, each with wide circulation.
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 ASBA Bids for the Offer being Tuesday, August 22, 2023.
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 the Bidders submitted their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations.
Bidder/Applicant	Investor who made 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 ASBA Bidder and an Anchor Investor.
Bidding Centers	The centers at which the Designated Intermediaries accepted the Bid cum Application Forms i.e. Designated Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	The book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer was made.
Book Running Lead Manager / BRLM	The book running lead manager to the Offer, being Pantomath Capital Advisors Private Limited, SEBI registered Category – I Merchant Banker.
Broker Centers	Broker centers notified by the Stock Exchanges, where Bidders could have submit the ASBA Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com) and are updated from time to time.
CAN/Confirmation of Allocation Note	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period.
Cap Price	The higher end of the Price Band i.e., ₹108/- per Equity Share of face value ₹2/- each, above which the Offer Price and the Anchor Investor Offer Price has not been finalised and above which no Bids were accepted.

Term	Description
Cash Escrow and Sponsor Bank Agreement	The agreement entered into between our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the BRLM, the Syndicate Member, the Banker(s) to the Offer, inter alia, for the appointment of the Sponsor Banks in accordance with the UPI Circular, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof.
Circulars of Streamlining of Public Issues/UPI Circulars	Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 (to the extent applicable) NSE's circular bearing reference number 25/ 2022 dated August 3, 2022 and BSE's circular bearing reference number 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant(s)/ CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of, among others, circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Controlling Branches	Such branches of SCSBs which coordinate Bids under the Offer with the BRLM, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in.
Cut-off Price	The Offer Price has been finalised by our Company (acting through its IPO Committee) and the Promoter Selling Shareholder in consultation with the BRLM, which is within the Price Band. Only Retail Individual Bidders (subject to the Bid Amount being up to ₹200,000) were entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders were not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation, bank account details and UPI ID wherever applicable.
Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders could have submitted the ASBA Forms.

Term	Description
	The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms is and was available on the respective websites of the Stock Exchanges. (www.bseindia.com and www.nseindia.com).
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIBs using UPI mechanism instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, after this Prospectus is filed with the RoC.
Designated Intermediary(ies)	The Members of the Syndicate, sub-syndicate or agents, SCSBs (other than RIBs using the UPI mechanism), Registered Brokers, CDPs and RTAs, who were authorised to collect Bid cum Application Forms from the Bidders, in relation to the Offer.
Designated RTA Locations	Such locations of the RTAs where Bidders, except Anchor Investors could have submitted the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which collected the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited
DP ID	Depository Participant's identity number.
Draft Red Herring Prospectus / DRHP	The Draft Red Herring Prospectus dated March 31, 2023 issued and prepared in accordance with the SEBI ICDR Regulations, which did contain complete particulars of the price at which Equity Shares will be allotted and the size of the Offer, including any addenda of corrigenda thereto.
EBITDA	EBITDA refers to earnings before interest, taxes, depreciation, amortisation and exceptional items. EBITDA excludes other income
Eligible FPI(s)	FPIs that were eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices.
Eligible NRI(s)	NRI which were eligible to invest under Schedule III and Schedule IV of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
Holding Company Eligible Shareholder Reservation	Individuals and HUFs who were the public equity shareholders of our Promoter (excluding such persons who are not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines) as on the date of the filing of the Red Herring Prospectus. The maximum Bid Amount under the Shareholder Reservation Portion by an Holding Company Eligible Shareholder Reservation shall not exceed the ₹200,000
Equity Listing Agreements	The listing agreements to be entered into by our Company with the Stock Exchanges in relation to our Equity Shares.
Escrow Account(s)	The 'no-lien' and 'no-interest bearing' account(s) opened for the Offer with the Escrow Collection Bank and in whose favour the Anchor Investors may issue

Term	Description
	or transfer money through direct credit/NACH/NEFT/RTGS in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement dated August 11, 2023 entered into by our Company, the Registrar to the Offer, the BRLM, the Escrow Collection Bank(s), the Sponsor Bank and the Refund Bank(s), for, inter alia, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) are opened, in this case being Kotak Mahindra Bank Limited
First Bidder/Sole Bidder	The Bidder whose name appeared first in the Bid cum Application Form or the Revision Form and in case of a joint Bid and whose name appeared as the first holder of the beneficiary account held in joint names or any revisions thereof.
Floor Price	The lower end of the Price Band i.e., ₹102/- per Equity Share of face value ₹2/- each, at or above which the Offer Price and the Anchor Investor Offer Price has been finalised and below which no Bids were accepted.
Fresh Issue	The fresh issue component of the Offer comprising of an issuance of 15,000,000^ Equity Shares at ₹108/- per Equity Share (including a premium of ₹ 106/- per Equity Share) aggregating to ₹1,620.00 million by our Company. ^*Subject to finalization of the Basis of Allotment.*
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document/ GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the circular no. SEBI / HO / CFD/DIL2/CIR/P/ 2020/50 dated March 30, 2020, as amended by SEBI from time to time and the UPI Circulars. The General Information Document is available on the websites of the Stock Exchanges and the BRLM.
Gross Proceeds	The Offer proceeds from the Fresh Issue.
ISIN	International Securities Identification Number. In this case being INE024001021**.**
Key Managerial Personnel/ KMP	Key managerial personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 as disclosed in "*Our Management*" on page 187 of this Prospectus.
KPI	Key Performance Indicators.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the Designated Stock Exchange.
Lot Size	The Market lot and Trading lot for the Equity Share is 130 and in multiples of 130 thereafter; subject to a minimum allotment of 130 Equity Shares to the successful applicants.
Monitoring Agency	ICRA Limited, being a credit rating agency registered with SEBI.
Monitoring Agency Agreement	The agreement dated July 15, 2023 entered into between our Company and the Monitoring Agency prior to filing of this Prospectus..
Maximum RIB Allottees	The maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids received at or above the Offer Price.
Mobile Applications	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes &intmI d=43 or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism.

Term	Description
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	Atleast 5% of the QIB Portion (excluding the Anchor Investor Portion), or 3,20,001 Equity Shares which was made available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Net worth	Net worth means the aggregate value of the paid-up share capital and other equity.
Net Offer	Offer less the Eligible Holding Company Shareholder's Reservation Portion.
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of Offer related expenses. For further information about the Offer related expenses, see "*Objects of the Offer*" on page 100 of this Prospectus.
Net QIB Portion	The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidders / Non-Institutional Investors/ NIIs /NIBs	All Bidders including category III FPI's that are not QIBs (including Anchor Investor) or Retail Individual Bidders, bidding in the QIB Portion or Retail Portion, if any respectively and who have Bid for the Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer, consisting of 4,800,000* Equity Shares, which shall be available for allocation to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price, subject to the following and in accordance with the SEBI ICDR Regulations, out of which: i. one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.2 million and up to ₹ 1.0 million; and ii. two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.0 million. Provided that the unsubscribed portion in either of the sub-categories specified in (i) and (ii) above may be allocated to applicants in the other sub-category of Non-Institutional Bidders. **Subject to finalization of Basis of Allotment*
Non-Resident Indian/NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000.
Non-Resident/ NR	A person resident outside India, as defined under FEMA and includes a non-resident Indian, FPIs and FVCIs.
Offer	The initial public offer of 32,500,000^ Equity Shares of face value ₹2/- each aggregating to ₹3,510.00 million comprising of a Fresh Issue of 15,000,000 Equity Shares aggregating to ₹1,620.00 million by our Company and the Offer for Sale of 17,500,000 Equity Shares aggregating to ₹1,890.00 million by Sat Industries Limited *^Subject to finalization of the Basis of Allotment..*
Offer Agreement	The agreement dated March 31, 2023 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	The offer for sale of 17,500,000 Equity Shares of face value ₹2/- each by the Promoter Selling Shareholder at the Offer price aggregating to ₹ 1,890.00 million.
Offer Price	The final price within the Price Band i.e., ₹108/- per Equity Share of face value ₹2/- each at which the Equity Shares of face value ₹2/- each will be Allotted to successful Bidders (other than Anchor Investor) in terms of the Red Herring

Term	Description
	Prospectus and Prospectus. Equity Shares have been allocated to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price was decided by our Company (acting through its IPO Committee) and the Promoter Selling Shareholder in consultation with the Book Running Lead Manager on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus. Unless otherwise stated or the context otherwise implies, the term Offer Price refers to the Offer Price applicable to investors other than Anchor Investors.
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Promoter Selling Shareholder.
Offered Shares	17,500,000 Equity Shares of face value ₹2/- each aggregating to ₹1,890.00 million offered for sale by the Promoter Selling Shareholder in the Offer for Sale.
Pre-Offer Advertisement	The pre-offer advertisement published by our Company under Regulation 43 of the SEBI ICDR Regulations and Section 30 of the Companies Act, 2013 after filing of the Red Herring Prospectus with the RoC, in all editions of Business Standard (a widely circulated English national daily newspaper), all editions of Business Standard (a widely circulated Hindi national daily newspaper) and all editions of Navshakti (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra where our Registered Office is located), each with wide circulation, respectively.
Price Band	Price Band of a minimum price of ₹102/- per Equity Share (Floor Price) and the maximum price of ₹108/- per Equity Share (Cap Price), as disclosed in the Red Herring Prospectus dated August 11, 2023.
Pricing Date	The date being August 25, 2023 on which our Company (acting through its IPO Committee) in consultation with BRLM has finalised the Offer Price.
Promoters' Contribution	In terms of 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 Promoter which shall be considered as Promoters' contribution and locked in for a period of three years from the date of allotment.
Holding Company Eligible Shareholder Reservation Portion	The portion of the Offer being to 500,000 Equity Shares of face value ₹2/- each aggregating to ₹54.00 million which is not exceeding 10% of the post-Offer Equity Share capital of our Company, available for allocation to Holding Company Eligible Shareholder Reservation, on a proportionate basis.
Prospectus	This Prospectus dated August 25,2023 filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined through the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account	The 'no-lien' and 'no-interest bearing' account opened under Section 40(3) of the Companies Act, 2013, with the Public Offer Account Bank to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date.
Public Offer Account Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Offer Account for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts is opened, in this case being Axis Bank Limited.
Qualified Institutional Buyers/QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIB Bidders	QIBs who Bid in the Offer.
QIB Bid/ Offer Closing Date	In the event our Company, in consultation with the BRLM, decide to close Bidding by QIBs one day prior to the Bid/Offer Closing Date, the date one day

Term	Description
	prior to the Bid/Offer Closing Date; otherwise it shall be the same as the Bid/Offer Closing Date.
QIB Portion/QIB category	The portion of the Net Offer (including the Anchor Investor Portion), being not more than 50% of the Offer or 16,000,000 Equity Shares of face value ₹2/- each which was available for allocation to QIBs including the Anchor Investors, subject to valid Bids being received at or above the Offer Price.
Red Herring Prospectus/RHP	The Red Herring Prospectus dated August 11, 2023 issued in accordance with section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, not having the complete particulars of the price at which the Equity Shares of face value ₹2/- each were offered and the size of the Offer, and includes any addenda and corrigenda thereto. The Red Herring Prospectus was filed with the RoC three (3) Working Days before the Bid/Offer Opening Date and has become the Prospectus upon filing with the RoC on or after the Pricing Date.
Refund Account(s)	The 'no-lien' and 'no-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made.
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) were opened, in this case being Kotak Mahindra Bank Limited.
Refunds through electronic transfer of funds	Refunds through NACH, Direct Credit, RTGS or NEFT, as applicable.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the Stock Exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 and the UPI Circulars issued by SEBI.
Registrar Agreement	The registrar agreement dated March 31, 2023 executed 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 and Share Transfer Agents/RTAs	The registrar and the share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars issued by SEBI as per the list available on the websites of www.linkintime.com .
Registrar to the Offer /Registrar	Link Intime India Private Limited.
Resident Indian	A person resident in India, as defined under FEMA.
Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s)	Resident Individual Bidders submitting Bids, who did Bid for the Equity Shares of face value ₹2/- each for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta) and Eligible NRIs.
Retail Portion	The portion of the Offer being not less than 35% of the Offer comprising of 11,375,000 Equity Shares of face value ₹2/- each which were available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis.
Restated profit for the period / year	Profit / loss made for the financial year or during a given period.
Revenue from Operations	Revenue from Operations refers to revenue from sale of goods or services, as recognised in the Restated financial information.

Term	Description
Revision Form	The form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s)QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can withdraw or revise their Bids until Bid/ Offer Closing Date.
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
Self-Certified Syndicate Banks or SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=ye&intmId=40 or such other website as updated from time to time.
Share Escrow Agent	Link Intime India Private Limited
Share Escrow Agreement	The agreement dated July 26, 2023 entered into between 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 the Bidders, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=ys and updated from time to time.
Sponsor Banks	Kotak Mahindra Bank Limited and Axis Bank Limited, being Bankers to the Offer registered with SEBI, appointed by our Company to act as a conduits between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI.
Stock Exchanges	BSE Limited and NSE Limited.
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect ASBA Forms and Revision Forms
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Syndicate Agreement	The agreement dated August 11, 2023 entered into between the BRLM, the Syndicate Members, our Company and Registrar to the Offer in relation to the collection of the ASBA Forms by the Syndicate Members.
Syndicate Members	Intermediaries registered with SEBI who were permitted to accept bids, applications and place orders with respect to the Offer, and to carry out activities as an underwriter, in this case, Pantomath Capital Advisors Private Limited and Pentagon Stock Brokers Private Limited.
Syndicate/ Members of the Syndicate	The BRLM and the Syndicate Members.
Total borrowings	Total borrowings include current and non-current borrowings
TRS/Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid.
Underwriters	The Book Running Lead Manager

Term	Description
Underwriting Agreement	The agreement dated August 25, 2023 entered into amongst our Company, the Promoter Selling Shareholder and the Underwriters after the Pricing Date but prior to the filing of the Prospectus with the RoC.
UPI	Unified Payment Interface.
Unified Payment Interface or UPI	Unified Payment Interface is an instant payment system developed by National Payments Corporation of India, which enables merging several banking features, seamless fund routing and merchant payments into one hood. It allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a persons' bank account.
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Investors in the Retail Portion and (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agent. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 and SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized Stock Exchanges (whose name is mentioned on the website of the Stock Exchanges as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the Stock Exchanges 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 Exchanges as eligible for such activity).
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	Process for applications by RIBs submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI ID Linked bank account	Account of the RIIs, bidder in the offer using the UPI mechanism, which was blocked upon acceptance of UPI Mandate request by RIIs to the extent of the appropriate bidding Amount and subsequent debit of funds in case of Allotment.
UPI Investors	Collectively, individual investors applying as (i) Retail Individual Investors in the Retail Portion and (ii) Non-Institutional Applicant with an application size of up to ₹ 500,000 in the Non-Institutional Portion, and application under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agent. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the 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 Offer and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)

Term	Description
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter	A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges. "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI, including the UPI Circulars.

Conventional and General Terms and Abbreviations

Term	Description
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupees
A.Y./AY	Assessment Year
A/C	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds
AS/Accounting Standard	Accounting Standards issued by the Institute of Chartered Accountants of India
Associate	A person who is an associate of the issuer and as defined under the Companies Act, 2013
Authorized Dealers	Authorized Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000
BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
CAGR	Compound Annual Growth Rate, which is computed by dividing the value of an investment at the year-end by its value at the beginning of that period, raise the result to the power of one divided by the period length, and subtract one from the subsequent result: ((End Value/Start Value)^(1/Periods) -1
CARO	Companies (Auditor's Report) Order, 2016
Category I AIF	AIFs which are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs which are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs which are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulation
Category I FPI(s)	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II FPI(s)	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III FPIs	FPIs who are registered as Category III FPIs under the SEBI FPI Regulations, and shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer

Term	Description
CIN	Corporate Identification Number
Civil Code or CPC	The Code of Civil Procedure, 1908
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act	Companies Act, 1956 and / or the Companies Act, 2013 as applicable
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020.
CSR	Corporate social responsibility
Depository(ies)	NSDL and CDSL, both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
Demat	Dematerialised
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI.
DP ID	Depository Participant’s Identity Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Term Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EGM	Extraordinary General Meeting
EPF Act	Employees’ Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees’ State Insurance Act, 1948
Euro/EUR	Euro, the official single currency of the participating member states of the European Economic and Monetary Union of the Treaty establishing the European Community
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instrument) Rules, 2019 duly amended
Financial Year/Fiscal/Fiscal year	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
Flexible Flow Solutions	Products manufactured by our Company which include braided hoses, unbraided hoses, solar hoses, gas hoses, vacuum hoses, braiding, interlock hoses, hose assemblies, lancing hose assemblies, jacketed hose assemblies, exhaust connectors, exhaust gas recirculation (EGR) tubes, expansion bellows, compensators and related end fittings collectively known as flexible flow solutions.

Term	Description
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/Government	The Government of India
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
ICDS	Income Computation and Disclosure Standards
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act/IT Act	Income Tax Act, 1961
Incoterms	International Commercial Terms
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPC	India Penal Code, 1860
IPR	Intellectual Property Rights
IPO	Initial public offering
IRDAI	Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999
IRR	Internal rate of return
IST	Indian Standard Time
Insolvency Code	Insolvency and Bankruptcy Code, 2016
ISIN	International Securities Identification Number
IT	Information Technology
kVA	Kilovolt-ampere
Lacs	Lakhs
MCA	The Ministry of Corporate Affairs, GoI
Mn/mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A. or NA	Not Applicable
NACH	National Automated Clearing House, a consolidated system of ECS.
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NRO account	Non-resident ordinary account
NSDL	National Securities Depository Limited
OCB	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

Term	Description
OFAC	Office of Foreign Assets and Control
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
PIO	Person of India Origin
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
RTI	Right to Information, in terms of the Right to Information Act, 2005
Rule 144A	Rule 144A under the Securities Act
SCORES	Securities and Exchange Board of India Complaints Redress System
SCRA	Securities Contract (Regulation) Act, 1956 as amended from time to time.
SCRR	The Securities Contracts (Regulation) Rules, 1957 as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act as amended from time to time
SEBI Act	The Securities and Exchange Board of India Act, 1992 as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 as amended from time to time
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended from time to time
SEBI Ind AS Transition Circular	SEBI Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity)
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time
Securities Act	The United States Securities Act of 1933
STT	Securities Transaction Tax
State Government	The government of a state in India
Trademarks Act	Trademarks Act, 1999
TDS	Tax deducted at source
U.K.	United Kingdom of Great Britain and Northern Ireland
US$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America.
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations,

Term	Description
	1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
WACA	Weighted Average Cost of Acquisition
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve month period ending December 31

Key Performance Indicators*#

Key Performance Indicator	Description
Cost of goods sold as % of revenue from operations	Sum of cost of material consumed and changes in inventories of work in progress & finished goods as a % of revenue from operations. This provides information on the gross margin generated by our Company.
Debt to equity ratio	Debt to equity ratio is calculated by dividing our Company's debt by shareholders' equity (as a percentage). This metric is a measurement of our Company's financial leverage and provides us information on our current capital structure and helps us in targeting an optimized capital structure.
EBITDA	Earnings before interest, tax, depreciation and amortization and is calculated as the restated profit for the period or year plus tax expense, finance cost, depreciation and amortization expenses excluding exceptional items. EBITDA provides information regarding operational profitability and efficiency of our Company.
EBITDA margin	Percentage of earnings before interest, tax, depreciation and amortization and is calculated as the restated profit for the period or year plus tax expense, finance cost, depreciation and amortization expenses excluding exceptional items. This metric helps in benchmarking the operating profitability against the historical performance of our Company.
Exports revenue as % of revenue	Total revenue from exports as a % of revenue from operations during the period. Historically, majority of our revenue from operations has been derived from exports hence this is an important metric.
Fixed asset turnover ratio	Fixed asset turnover ratio is calculated as revenue from operations divided by property, plant and equipment
Foreign currency gain / (loss)	Net gain on foreign currency exchange rate fluctuation. Since majority of our revenue is derived in foreign currencies, this is an important metric for our internal reporting purposes.
Net profit margin	Percentage of the amount that remains after a company has paid off all of its operating and non-operating expenses, other liabilities and taxes. It provides information regarding the profitability of our Company.
Net worth	Calculated as total of share capital and other equity. It provides information on the book value of the owners' equity in the business.
Profit after tax for the period	The amount that remains after a company has paid off all of its operating and non-operating expenses, other liabilities and taxes. It provides information regarding the profitability of our Company.
Revenue from operations	Revenue from operations include revenue from sales of products in domestic and exports markets, revenue from sale of scrap, gain on foreign exchange fluctuation and other operating revenue.
Return on capital employed	Return on capital employed is calculated using two components, i.e. earnings before interest and tax divided by capital employed. Capital employed is calculated by sum of net worth and total debt less cash and cash equivalents freely available. This provides us information on efficiency of our capital deployment and utilisation.
Return on equity	Return on Equity is calculated on the basis of net profit after tax divided by shareholder's equity and is calculated by profit after tax divided by our net worth (share capital and other equity). It indicates our Company's ability to turn equity investments into profits.
Total number of customers served	Total number of unique customers served during the period from sale of products.

Key Performance Indicator	Description
Total production	Total production of all types of hoses, braiding and assemblies in million square meters during the period.
% of revenue from sale of hoses and braiding	Revenue derived from sale of hoses, hoses with braiding and braiding as a % of revenue from operations during the period. This information helps us in strategic optimization of our product mix to generate better operating margins.
% of revenue from sale of assemblies and fittings	Revenue derived from sale of assemblies and fittings as a % of revenue from operations during the period. This information helps us in strategic optimization of our product mix to generate better operating margins.
% of revenue from sale of interlock hoses and composite hoses	Revenue derived from sale of interlock hoses, composite hoses, Teflon hoses as a % of revenue from operations during the period. This information helps us in strategic optimization of our product mix to generate better operating margins.

* *As approved by resolution of Audit Committee of our Board dated August 11, 2023.*

As certified by M/s Shweta Jain & Co., Chartered Accountants the statutory auditors of our Company pursuant to their certificate dated August 11, 2023.

Industry Related Terms and Abbreviations

Term	Description
AISI	American Iron and Steel Institute
ASME/ASTM	American Society for Testing and Materials/ American Society for Mechanical Engineers
ATEX	Atmosphere Exposable
BESS	Battery Energy Storage System
BE	Budget estimate
Bps	Basis points
CAD	Cash Available for Distribution
CE marking	European conformity marking
CGS	City Gas Distribution
CMIE	Centre for Monitoring Indian Economy
CNG	Compressed Natural Gas
COVID-19	Coronavirus disease 2019
CPI	Consumer Price Index
CST	Concentrated Solar Thermal
CY	Current Year
DMISP	Domestically Manufactured Iron and Steel Products Policy
ESP	Electronic Stability Control
EU	European Union
EV	Electronic Vehicle
FAME	Faster Adoption and Manufacturing of Electric Vehicles
GAIL	Gas Authority of India Limited
GFGC	Gross fixed capital formation
GIGL	GSPL India Gasnet Limited
GSPL	Gujarat State Petronet Limited
GVA	Gross value added
GW	Giga Watt
HVAC	Heating, ventilation, and air conditioning
HVAC&R	Heating, ventilation, and air conditioning and refrigeration
IIP	Index for Industrial Production
IMF	The International Monetary Fund
IOCL	Indian Oil Corporation Limited
Li-ion	lithium-ion
LNG	Liquefied natural gas
MOSPI	Ministry of Statistics and Program Implementation

Term	Description
MSME	Ministry of Micro, Small & Medium Enterprises
MMS CMD	Million Metric Standard Cubic Meters
NITI	National Institution for Transforming India
NOX	Nitrogen Oxides
OEM	Original equipment manufacturer
PE	Polyethylene
PFCE	Private Final Consumption Expenditure
Public Interest Litigation	Public Interest Litigation
PLI	Production Linked Incentives
PNG	Piped Natural Gas
PNGRB	Petroleum and Natural Gas Regulatory Board
PSU	Public Sector Unit
PTFE	Polytetrafluoroethylene
RES	Renewable Energy Systems
RE:	Re estimate:
R&D	Research and Development
RWTUV	Rheinisch Westfälischer Technischer Überwachungs Verein
SAE	Second Advance Estimate
SCR	Silicon-controlled Rectifier
SS	Stainless Steel
TSMC	Taiwan Semiconductor Manufacturing Company Limited.
USD	United States Dollar
US FED	United States Federal Reserve System
WPI	Wholesale Price Index
y-o-y	Year on year

The words and expressions used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the SEBI Act, the SCRA, SEBI ICDR Regulations the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in chapters titled "*Main Provisions of the Articles of Association*", "*Statement of Tax Benefits", "Industry Overview", "Regulations and Policies in India", "Financial Information" "Outstanding Litigations and Material Developments*" and "*Offer Procedure*" will have the meaning ascribed to such terms in these respective sections.

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

Certain Conventions

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

Unless stated otherwise, all references to page numbers in this Prospectus are to the page numbers of this Prospectus.

Time

All references to time in this Prospectus are to Indian Standard Time ("IST"). Unless indicated otherwise, all references to a "year" in this Prospectus are to a calendar year.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Prospectus have been derived from our Restated Consolidated Financial Information. For further information, please see the section titled "*Financial Information*" on page 222.

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

The Restated Consolidated Financial Information of our Company as at and for the Financial Years 2023, 2022 and 2021, comprising of the restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statement of profit and loss and other comprehensive income, the restated consolidated statement of cash flows and the restated consolidated statement of changes in equity for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies, and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI, as amended from time to time. For further information, please refer to chapter titled "*Financial Information*" on page 222.

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS please refer to "***Risk Factors - Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows***" on page 62 of this Prospectus. Accordingly, the degree to which the financial information included in this 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, the Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Prospectus should, accordingly, be limited.

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 37, 152 and 228, respectively, of this Prospectus, and elsewhere in this Prospectus have been calculated on the basis of the Restated Consolidated Financial Statements of our Company, prepared in accordance with Ind AS, and the Companies Act and restated in accordance with SEBI ICDR Regulations.

In this 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 (including percentages) have been rounded off up to two (02) decimals. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded-off to such number of decimal points as provided in such respective sources. In this Prospectus, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Non-GAAP Financial Measures

We use a variety of financial and operational performance indicators such as EBITDA, EBITDA Margin, Direct Costs, PAT Margin, CAGR and others, have been included in this Prospectus to measure and analyse our operational performance from period to period, and to manage our business. These are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or U.S. GAAP. Furthermore, these Non-GAAP Measures, are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS, IFRS or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. Further, these non-GAAP Measures and other statistical and other information relating to operations and financial performance 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 US GAAP. In addition, these non-GAAP Measures and other statistical and other information relating to operations and financial performance, are not standardised terms and may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. Further, they may have limited utility as a comparative measure. Although such non-GAAP financial measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For further information, please refer to chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*" on page 228. 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.

Currency and Units of Presentation

All references to

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

- "US$" or "U.S. Dollars" or "USD" are to United States Dollars, the official currency of the United States of America.

- "GBP" or "£" are to Pound sterling, the official currency of the United Kingdom.

- "Euro" or "€" are to Euros, the official currency of the European Union.

All the figures in this 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 lakh represents 100,000 and one million represents 1,000,000. 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 Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

This Prospectus contains conversions of certain other currency amounts into Rupees that have been presented solely to comply with the requirements of SEBI ICDR Regulations. Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees at any particular rate or at all.

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

Currency	Exchange Rate as on March 31, 2023	Exchange Rate as on March 31, 2022	Exchange Rate as on March 31, 2021
1 U.S.$	82.21	75.80	73.50
1 GBP	101.87	99.55	100.95
1 Euro	89.60	84.66	86.10

Source: www.fbil.org.in

Industry and Market Data

*This study has been undertaken through extensive secondary research, which involves compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Dun & Bradstreet ("**Dun & Bradstreet**") and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain. Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Flexible Flow Solutions Market in India Report March 2023" prepared by Dun & Bradstreet issued March 29, 2023." (the "**Dun & Bradstreet**"), prepared exclusively for the Offer and released by Dun & Bradstreet, and commissioned and paid for by us for the purposes of confirming our understanding of the industry, exclusively in connection with the Offer. Dun & Bradstreet is an independent agency which has no relationship with our Company, our Promoter or any of our Directors or KMPs, or SMPs. The data included herein includes excerpts from the Dun & Bradstreet Report and may have been re-ordered by us for the purposes of presentation. There are no parts, material data or information (which may be relevant for the proposed Offer), that have been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Dun & Bradstreet Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Data from these sources may also not be comparable.* Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. For risks in relation to commissioned reports, please refer to "***Risk Factors – This Prospectus contains information from an industry report which we have paid for and commissioned from D&B appointed by our Company pursuant to an engagement letter dated March 22, 2023 there can be no assurance that such third party statistical, financial and other information is either complete or accurate" on page 56***

Although the industry and market data used in the Prospectus is reliable, industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect.

The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. The extent to which industry and market data set forth in this 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. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 37.

D&B have required us to include the following disclaimer in connection with the D&B Report:

"This study has been undertaken through extensive secondary research, which involves compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Dun & Bradstreet ("Dun & Bradstreet") and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Dun & Bradstreet has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics, and research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

The recipient should conduct its own investigation and analysis of all facts and information contained in this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction".

In accordance with the SEBI ICDR Regulations, the section "*Basis for Offer Price*" on page 114 includes information relating to our global listed peers. 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.

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FORWARD-LOOKING STATEMENTS

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

- We export our products to various countries and the export operations of our Company contribute more than 80% of Revenue from Operations, out of which export to USA constitutes 28% and 32% of the revenue from operations for the Fiscals March 31, 2023 and March 31, 2022. On account of the aforesaid, we may be subject to significant import duties or restrictions of the relevant jurisdictions. Our inability to comply with related requirements may have an adverse effect on our business and results of operations.
- We in the usual course of business do not enter into long-term contracts with suppliers for our raw materials and we depend on China, Spain and Germany for a significant portion of our raw material supply. The geographic concentration of raw material suppliers, loss of any major suppliers increase in the cost of raw material by any supplier, or a shortfall in the availability or quality of such raw materials, in a timely manner or at all, or our ability to pass these costs onto our customers could have an adverse effect on our business and results of operations.
- Our business is dependent and will continue to depend on our single manufacturing facility, and we are subject to certain risks in that behalf. Any slowdown or shutdown in our manufacturing operations could have an adverse effect on our business, financial condition and results of operations.
- Our Company requires significant amounts of working capital and significant portion of our working capital is consumed in trade receivables and inventories. Our inability to meet our working capital requirements including failure to realise receivables and inventories may have an adverse effect on our results of operations and overall business.
- We derive revenue from sale of number of products viz. sale of stainless steel corrugated flexible hoses (with and without braiding), stainless steel braiding, stainless steel interlock hoses, assemblies, and others and significant revenue from stainless steel corrugated flexible hoses (with and without braiding). Any decrease in the sales of our key products will adversely affect our business, cash flows, financial condition and results of operations. Our inability to successfully further diversify our products may adversely affect our growth and negatively impact our profitability.
- We in the usual course of business do not have long term contracts with most of our customers and rely on purchase orders for delivery of our product and they may cancel or modify their orders, change production quantities, delay production or change their sourcing strategy. Loss of one or more of our customers or a reduction in their demand for our products could adversely affect our business, results of operations and financial condition.
- If we fail to effectively implement our production schedules, our business and results of operations may be materially and adversely affected.

- Our Promoter is involved in a tax proceedings which is currently pending. Any adverse decision in the proceeding may render our Promoter liable to penalty and/or monetary compensation and may adversely affect our business and results of operations.
- The industry segments in which we operate being fragmented and diversified, we face competition from other large and small global and domestic players, which may affect our business operations and financial conditions
- Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and we have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Issue and have not been independently appraised by a bank or a financial institution Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.

Forward-looking statements reflect our views as of the date of this 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 the 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. None of our Company, Directors, the Promoter Selling Shareholder, and the BRLM or 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 other applicable laws, our Company has ensured that investors in India are informed of material developments from the date of filing of the Red Herring Prospectus until the date of Allotment. In accordance with the requirements of SEBI, the Promoter Selling Shareholder has ensured that investors are informed of material developments in relation to the statements and undertakings specifically undertaken or confirmed by it in the Red Herring Prospectus until the date of Allotment. Only statements and undertakings which are specifically confirmed or undertaken by the Promoter Selling Shareholder to the extent of information pertaining to its portion of the Offered Shares, as the case may be, in this Prospectus shall be deemed to be statements and undertakings made by the Promoter Selling Shareholder.

OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Offer. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus, including the sections entitled *"Risk Factors", "Industry Overview", "Outstanding Litigation and Other Material Developments", "Our Promoter and Promoter Group", "Financial Information" "Objects of the Offer", "Our Business", "Offer Procedure" and "Description of Equity Shares and Terms of Articles of Association"* on pages 37, 123, 264, 206, 222, 100, 152, 304 and 330 respectively.

1. Summary of Primary Business of our Company

We are manufacturers and suppliers of environment friendly metallic flexible flow solution products including braided hoses, unbraided hoses, solar hoses, gas hoses, vacuum hoses, braiding, interlock hoses, hose assemblies, lancing hose assemblies, jacketed hose assemblies, exhaust connectors, exhaust gas recirculation (EGR) tubes, expansion bellows, compensators and related end fittings collectively known as flexible flow solutions catering to global as well as domestic markets. We export our products to more than 80 countries including Europe, USA and others. For Fiscals 2023,2022 and 2021 our exports were ₹2,171.80 million, ₹2,035.59 million and ₹1,171.15 million which constituted 80.60%, 84.53%, and 80.90% of our revenue from operations respectively .We supply our products to a wide spectrum of industries for controlled flow of all forms of substances including air, liquid and solid. For the Fiscals March 31, 2023, 2022 and 2021, we served total 723, 606 and 538 customers out of which we served 217, 190 and 169 customers across 51, 49 and 43 countries respectively and 506 , 416 and 369 domestically.

Flexible flow solutions play a critical role in transfer of substances (air, liquid and solid) in any industrial or commercial ecosystem, connecting the origin and end points of various processes. For example, flow solution products are required in fire sprinklers, gas supply, flow of air (conditioned / controlled) in aircrafts, fueling and hydraulics in aircrafts. Our capabilities to provide customised solutions up to the assemblies level enable us to tap flexible flow solutions value chain. Our product categories include braided hoses, unbraided hoses, solar hoses, gas hoses, vacuum hoses, braiding, interlock hoses, hose assemblies, lancing hose assemblies, jacketed hose assemblies, exhaust connectors, exhaust gas recirculation (EGR) tubes, expansion bellows, compensators and related end fittings. As on March 31, 2023, we had more than 1,700 Product SKUs (Stock Keeping Units) in our product portfolio.

For further details, please refer to chapter titled "*Our Business*" on pages 152 of this Prospectus.

2. Summary of the industry in which our Company operates

Traditionally, the demand for Flexible Flow Solutions made with Stainless Steel Corrugation was largely driven by the industrial sector – manufacturing plants and manufacturing products from chemicals to paper. HVAC applications too were a major consumer, although the scale of business generated by this segment was lower compared to its industrial counterpart. The steady growth in industrial activity amidst some disruption along with the slow but steady transition from rubber/PTFE/polymer flexible hoses have resulted in a favorable demand landscape for Flexible Flow Solutions made with Stainless Steel Corrugation manufacturers *(Source: D&B Report)*

For further details, please refer to the chapter titled "*Industry Overview*" on page 123 of this Prospectus. The Industry report is available for review on our website www.aeroflexindia.com.

3. Promoter

Sat Industries Limited is the sole Promoter of our Company. For further details please see chapter titled "*Our Promoter and Promoter Group*" beginning on page 206 of this Prospectus.

4. Offer

Particulars	Details of Equity Shares of face value ₹2/- each

Offer of Equity Shares	32,500,000* Equity Shares of face value of ₹2/- each fully paid-up of our Company for cash at a price of ₹108/- per Equity Share aggregating ₹3,510.00 million.
of which:	
Fresh Issue	15,000,000* Equity Shares of face value ₹2/- each aggregating ₹1,620.00 million
Offer for Sale	17,500,000 Equity Shares of face value ₹2/- each aggregating ₹1,890.00 million by Promoter Selling Shareholder.
Holding Company Shareholder Reservation Portion^	500,000 Equity Shares of face value ₹2/- each, aggregating ₹ 54.00 million.
Net Offer	32,000,000* Equity Shares of face value ₹2/- each aggregating ₹3,456.00 million

**Subject to finalization of the Basis of Allotment.*

For further details, please see chapter titled "*Offer Structure*" and "*The Offer*" beginning on page 299 and 69 of this Prospectus

5. Objects of the Offer

The Net Proceeds are proposed to be used in the manner set out in in the following table:

(₹ in million)

Sr. No.	Particulars	Estimated amount
1.	Full or part repayment and/or prepayment of certain outstanding secured borrowings (including foreclosure charges, if any) availed by our Company	320.00
2.	Funding working capital requirements of our Company	840.00
3.	General corporate purposes and unidentified inorganic acquisitions(1)	155.27

(1) Subject to finalisation of the Basis of Allotment. In compliance with Regulation 7(2) of the SEBI ICDR Regulation, the amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Offer.

For further details, please see chapter titled "*Objects of the Offer*" beginning on page 100 of this Prospectus.

6. Key Performance Indicators as disclosed in the "Basis for Issue Price" section

Particulars	For Financial Year ended March 31,		
	2023	2022	2021
Revenue from operations (₹ in million)	2,694.61	2,408.00	1,447.74
Total number of customers served (Nos.)	723	606	538
Total capacity utilisation (%)	83.16%	90.41%	71.01%
Exports revenue as % of revenue from operations (%)	80.60%	84.53%	80.90%
Foreign currency gain / (loss) (₹ in million)	53.13	32.37	19.21
Cost of goods sold as % of revenue from operations (%)	63.11%	64.81%	64.62%
EBITDA (₹ in million)	540.33	466.92	223.35
EBIT (₹ in million)	488.14	425.08	185.57
EBITDA margin (%)	20.05%	19.39%	15.43%
Profit after tax for the period (₹ in million)	301.52	275.06	60.11
Net profit margin (%)	11.19%	11.41%	4.15%
Net worth (₹ in million)	1140.93	862.23	587.17
Return on capital employed (%)	31.91%	36.29%	17.13%
Return on equity (%)	26.43%	31.90%	10.24%
Debt to equity ratio (times)	0.39	0.45	0.90

Particulars	For Financial Year ended March 31,		
	2023	2022	2021
Fixed asset turnover ratio (times)	4.85	5.26	3.37

As certified by Ms Shweta Jain & Co., Chartered Accountants through their certificate dated August 11, 2023, 2023. For further details pertaining to notes and explanations on key performance inductors please refer to chapter titled "Basis of Offer Price" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on page 114 and 228 respectively.

7. **Aggregate Pre- Offer Shareholding of our Promoter, entities forming part of Promoter Group as a percentage of the paid-up Equity Share capital of our Company is set out below as on date of this Prospectus.**

Sr. No.	Name of the Shareholders	Pre-Offer	
		Number of Equity Shares	% of Pre-Offer Equity Share Capital
Promoter			
1.	Sat Industries Limited*	96,681,833	84.57%
Promoter Group			
2.	Sat Invest Private Limited	Nil	Nil
3.	Sah Polymers Limited	Nil	Nil
4.	Fibcorp Polyweave Private Limited	Nil	Nil
5.	Aeroflex Finance Private Limited	Nil	Nil
6.	Italica Global FZC	7,454,830	6.52%
Total		**104,136,663**	**91.09%**

**Sat Industries Limited through its letters dated July 19, 2023 has offered to sell 17,500,000 Equity Shares of face value ₹2/- each in the Offer.*

For further details, please see chapter titled "*Capital Structure*" on page 84 of this Prospectus.

8. **Summary of Selected Financial Information**

Following are the details as per the Restated Consolidated Financial Information as at and for Financial Years ended on March 31, 2023, 2022 and 2021:

(₹ in million)

S. No.	Particulars	March 31, 2023	March 31, 2022	March 31, 2021
1.	Share Capital	228.64	228.64	228.64
2.	Net Worth [1]	1140.93	862.23	587.17
3.	Revenue from operations [2]	2694.61	2,408.00	1,447.74
4.	Profit after Tax [3]	301.52	275.06	60.11
5.	Earnings per Share (Basic and Diluted) [4]	2.64	12.03	2.63
6.	Earnings per Share (Basic and Diluted) after sub-division of Equity Shares of our Company from face value ₹10/- per Equity Share to face value ₹2/- per Equity Share	2.64	2.41	0.53
7.	Net Asset Value per equity share [5]	9.98	7.54	5.14
8.	Total borrowings[6]	450.06	391.27	530.68
9.	Operating Profit	540.33	466.92	223.35

Note:

1) *Net worth means the aggregate value of the paid-up share capital and other equity.*
2) *Revenue from operations: Sum of revenue from sale of products and other operating revenue as per the Restated Consolidated Financial Information*
3) *Profit After Tax: Profit after tax as per the Restated Consolidated Financial Information*

4) *Basic & Diluted earnings per share (Rs) -Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year.*
5) *Net assets value per share - Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year after giving effect to sub-division of equity shares of face value ₹10/- each to equity shares of face value ₹2/- each.*
6) *Total Borrowing - aggregate value of Long term borrowing and short term borrowings.*

For further details, please refer the section titled "*Financial Information*" on page 222 of this Prospectus.

9. Auditor Qualifications which have not been given effect to in the Restated Consolidated Financial Information

The Restated Consolidated Financial Information does not contain any qualification requiring adjustments by the Auditors.

10. Summary of Outstanding Litigation and Material Developments

A summary of the outstanding litigation proceeding and other material developments involving our Company, Promoter, Directors, Subsidiary and Group Company is provided below:

a) Litigations involving our Company

i) Cases filed against our Company:

(₹ in million)

Nature of Litigation	Number of matters outstanding	Amount involved
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

ii) *Cases filed by our Company*:

(₹ in million)

Nature of Litigation	Number of matters outstanding	Amount involved
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

b) Litigations against our Promoter

(₹ in million)

Nature of Litigation	Number of matters outstanding	Amount involved
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	01	22.63
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

c) Litigations against our Directors

(₹ in million)

Nature of Litigation	Number of matters outstanding	Amount involved
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

d) Litigations against our Subsidiary

(₹ in million)

Nature of Litigation	Number of matters outstanding	Amount involved
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

For further details, please refer the chapter titled "*Outstanding Litigations and Material Developments*" on page 264 of this Prospectus.

11. Risk Factors

Please see the chapter titled "*Risk Factors*" beginning on page 37 of this Prospectus.

12. Summary of Contingent Liabilities

As on date of this Prospectus, our Company has no contingent liability. For further details please refer to chapter titled "*Restated Consolidated Financial Information – Contingent Liabilities*" on page F - 38.

13. Summary of Related Party Transactions

Following are the details as per the Restated Consolidated Financial Information for Financial Years ended on March 31, 2023, 2022 and 2021:

(₹ in million)

Name of the related party	Nature of the transaction	March 31, 2023	March 31, 2022	March 31, 2021
Asad Daud[1)]	Director remuneration	8.31	3.84	3.11
Mustafa Abid Kachwala[1)]	Director remuneration	1.06	0.96	0.87
Sat Industries Limited	Loan taken and repaid	40.00	60.79	81.17
Sat Industries Limited	Interest expenses	0.77	9.05	21.58
Sat Industries Limited	Financial management charges	11.18	4.20	-
Sat Industries Limited	Dividend paid	21.08	-	-
Italica Global FZC	Sales	37.40	62.83	11.00
Italica Global FZC	Dividend paid	1.49	-	-
Madhuri Vyas (Earlier Company Secretary)	Salary	-	0.28	0.42

Kinjal Kamlesh Shah	Salary	0.59	0.18	-
Deepak Kalera	Salary	1.60	-	-

1) Dividend paid to Asad Daud and Mustafa Abid Kachwala for ₹100/- each is not included in transactions mentioned above as the amount paid is not significant.

For further details please refer "*Note – 41 of Restated Consolidated Financials"* at page 217 of this Prospectus.

14. Financials Arrangements

There are no financing arrangements whereby the Promoter, members of the Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Prospectus.

15. Details of price at which specified securities were acquired in the last three years preceding the date of this Prospectus by our Promoter, members of the promoter group with rights to nominate directors or other rights, are disclosed below:

The details of price at which specified securities were acquired by our Promoter, members of the promoter group with right to nominate directors or other rights, in the last three years preceding the date of this Prospectus is as follows.

Date of acquisition	Number of Equity Shares acquired	Acquisition price per Equity Share	Mode of acquisition
Promoter			-
Sat Industries Limited	Nil	Nil	-
Members of Promoter Group			-
Sat Invest Private Limited	Nil	Nil	-
Sah Polymers Limited	Nil	Nil	-
Aeroflex Finance Private Limited	Nil	Nil	-
Fibcorp Polyweave Private Limited	Nil	Nil	-
Italica Global FZC	Nil	Nil	-

Note-Company does not have any Shareholders with right to nominate directors or other rights

16. Weighted average price at which the Equity Shares of the Company were acquired by our Promoter in the last one year preceding the date of this Prospectus

The weighted average price at which the Equity Shares were acquired by our Promoter Selling Shareholder in the last one year preceding the date of this Prospectus is as follows.

Name	Number of Equity Shares acquired	Weighted average price of Equity Shares acquired in the last one year*(in ₹)
Promoter Selling Shareholder	Nil	Nil

**As certified by M/s Shweta Jain & Co., Chartered Accountants the statutory auditors of our Company pursuant to their certificate dated August 11, 2023.In the period mentioned there were no acquisition by our promoter.*

17. Average Cost of Acquisition of Equity Shares for our Promoter Selling Shareholder.

The average cost of acquisition of Shares for the Promoter Selling Shareholder is as follows:

Name	No. of shares held	Average Cost of Acquisition (in ₹ per Equity Share)*
Sat Industries Limited	96,681,833	1.95

**As certified by M/s Shweta Jain & Co., Chartered Accountants the statutory auditors of our Company pursuant to their certificate dated August 11, 2023.*

18. Weighted average cost of acquisition at which all Equity shares were transacted in last 1 year, 18 months and 3 years preceding the date of this Prospectus:

Period	Weighted average cost of acquisition (in ₹)*	Cap Price (₹108) is x' times the weighted average cost of acquisition	Range of acquisition price: lowest price – highest price (in ₹)
Last one year preceding the date of Prospectus	87.65	1.23	87.56-105.00
Last 18 months preceding the date of this Prospectus	87.65	1.23	87.56-105.00
Last three years preceding the date of this Prospectus	87.65	1.23	87.56-105.00

**As certified by M/s Shweta Jain & Co., Chartered Accountants the statutory auditors of our Company pursuant to their certificate dated August 11, 2023.*
Note- We have considered the transaction pertaining to sales by promoter and other shareholders.

19. Secondary transactions in the Equity Shares of face value ₹2/- each of our Company by our Promoter, during a period of six (06) months preceding the date on which this Prospectus is filed with SEBI.

Date of share purchase understanding/agreement	Date of Transfer	Number of Equity Shares of face value ₹2/- each	Name of transferee/Acquirer	Transfer price per Equity Share (₹)	Nature of Consideration	Nature of transaction	Consideration Amt. In million
May 10, 2023	May 15, 2023	2,315,935	Ashish Kacholia	87.56	Cash	Transfer	202.79
May 10, 2023	May 15, 2023	2,315,935	Bengal Finance and Investment Private Limited	87.56	Cash	Transfer	202.79
May 22, 2023	June 13, 2023	28,552	Mitul Prafulbhai Mehta	87.56	Cash	Transfer	2.50
May 22, 2023	June 13, 2023	28,552	Samedh Trinity Partners	87.56	Cash	Transfer	2.50
June 06, 2023	June 13, 2023	12,98,126	Jagdish Master	87.56	Cash	Transfer	113.67
June 06, 2023	June 13, 2023	11,4207	Shyamsundar Basudev Agarwal	87.56	Cash	Transfer	10.00
June 12, 2023	June 13, 2023	100,000	VPK Global Ventures Fund	87.56	Cash	Transfer	8.76
June 12, 2023	June 13, 2023	100,000	Rajnikkumar Sureshbhai Savaliya HUF	87.56	Cash	Transfer	8.76
June 09, 2023	June 13, 2023	1,137,650	Rosy Blue (India) Private Limited	87.56	Cash	Transfer	99.61

Date of share purchase understanding/agreement	Date of Transfer	Number of Equity Shares of face value ₹2/- each	Name of transferee/Acquirer	Transfer price per Equity Share (₹)	Nature of Consideration	Nature of transaction	Consideration Amt. In million
June 09, 2023	June 13, 2023	1,256,250	Carnelian Structural Shift Fund	87.56	Cash	Transfer	110.00
Total		**86,95,207**					**761.38**

20. Pre-IPO Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Prospectus until the listing of the Equity Shares.

21. Issue of equity shares made in last one year for consideration other than cash

Our Company has not issued any equity shares in last one year for consideration other than cash.

22. Split or Consolidation of Equity Shares in the last one year

Our Company vide resolution passed at the meeting of the Board of Directors dated February 13, 2023 and resolution of Shareholders passed in the EGM dated February 15, 2023 approved the sub-division of 01 (one) Equity Share of face value ₹10/- each into 05 (Five) Equity Shares of face value ₹2/- each and incidental change in authorized equity share capital of the Company from 35,000,000 Equity Shares of ₹10/- each, to 175,000,000 Equity Shares of ₹ 02/- each.

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

Our Company has not sought for any exemptions from complying with any provisions of securities laws, as on the date of this Prospectus.

SECTION – II
RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below may not be exhaustive or the only ones relevant to us, the Equity Shares or the industry in which we operate. Additional risks and uncertainties, not presently known to us or that we currently do not deem material may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and investors may lose all or part of their investment. Furthermore, some events may be material collectively rather than individually. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and therefore, cannot be disclosed in such risk factors.

In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Industry Overview", "Our Business", "Key Industry Regulations and Policies", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Outstanding Litigation and Material Developments" on pages 123, 152, 176, 228 and 264 respectively, as well as the other financial and statistical information contained in this Prospectus. In making an investment decision, prospective investors must rely on their own examination of our Company and our business and the terms of the Offer including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Potential investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries.

Unless the context requires otherwise, all financial information included herein is derived from our Restated Consolidated Financial Information included in "Financial Information" beginning on page 222.

Unless stated otherwise, industry and market data used in this section has been obtained or derived from publicly available information as well as industry publications, other sources and the report titled "Industry Analysis on Flexible Flow Solutions Market in India" dated March 29, 2023 (the "D&B Report") prepared and issued by Dun & Bradstreet Information Services India Private Limited, appointed by our Company pursuant to an engagement letter dated March 22, 2023 and such report has been commissioned and paid for by our Company exclusively in relation to the Offer. A copy of the D&B Report is available on the website of our Company at www.aeroflexindia.com. Unless otherwise indicated, all financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

1. ***We export our products to various countries and the export operations of our Company contribute more than 80% of Revenue from Operations, out of which export to USA constitutes 28% and 32% of the revenue from operations for the Fiscals March 31, 2023 and March 31, 2022. On account of the aforesaid, we may be subject to significant import duties or restrictions of the relevant jurisdictions. Our inability to comply with related requirements may have an adverse effect on our business and results of operations.***

   Our key overseas markets include USA, UAE, Italy and Spain. The relevant regulatory authorities in these regions impose varying import and other duties on our products. There can be no assurance that the import duties will not increase or new restrictions will not be imposed by the relevant regulatory authorities of the said countries Any substantial increase in such import duties or imposition of new restrictions may adversely affect our business, financial condition and results of operations. Moreover, we export our products to more than 80 countries catering to various industry segments however our export to U.S.A for Fiscal March 31, 2023 accounted 28% of our revenue from operations. This is followed by export to U.A.E, Italy and Spain accounting for 4% - 7% of our revenue from operations for Fiscal March 31, 2023. Our overseas sales to customers of these countries exposes us to risks of concentration. Loss of all or a substantial portion of sales to any of our customer from these countries for any reason (including, due to any materially adverse social, political or economic development, civil disruptions, or changes in the policies of the state government or state or local governments in these countries, occurrence of COVID-19 infection and strict curbs), could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects. The details of country wise exports for the Fiscal 2023, 2022 and 2021 have been set out below:

(₹ in million)

Name of Country	**Revenue from export for Fiscal 2023**	**Fiscal 2023**	**Revenue from export for Fiscal 2022**	**Fiscal 2022**	**Revenue from export for Fiscal 2021**	**Fiscal 2021**
USA	763.21	28%	775.49	32%	382.71	26%
UAE	187.39	7%	146.65	6%	49.59	3%
Italy	119.34	4%	121.06	5%	103.82	7%
Spain	118.72	4%	142.52	6%	72.06	5%
Canada	92.24	3%	58.30	2%	26.65	2%
Belgium	79.75	3%	64.83	3%	72.89	5%
Brazil	68.10	3%	66.28	3%	45.72	3%
UK	70.22	3%	102.47	4%	34.29	2%
Russia	62.44	2%	10.05	0%	14.51	1%
South Africa	62.41	2%	25.48	1%	10.50	1%
Other Countries	547.96	20% (41 countries)	522.47	22% (39 countries)	358.40	25% (33 countries)
Total	**2,171.80**	**81%**	**2,035.59**	**85%**	**1,171.15**	**81%**

Further to the above, we also are exposed to foreign exchange rate risk to the extent that our significant part of our revenue is denominated in a currency other than the Indian Rupee. We report our consolidated results of operations in Indian Rupees, while our Subsidiary reports its financial results in its respective local currencies. For Fiscals March 31, 2023, March 31, 2022 and March 31, 2021, ₹ 2,140.47 million, ₹2,035.59 million and ₹1,194.81 million contributing to 79.44%, 84.53% and 82.53% of our revenue from operations as per our Restated Consolidated Financial Statements, is denominated in foreign currencies. Based on our geographical presence and business operations worldwide, we primarily deal in USD, Euro and GBP. Our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the USD, Euro, and GBP, may have a material impact on our results of operations, cash flows and financial condition. We may suffer losses on account of foreign currency fluctuations for sale of our products to our international customers, since we may be able to revise the prices, for foreign currency fluctuations, only on a periodic basis and may not be able to pass on all losses on account of foreign currency fluctuations to our customers. Our net foreign exchange gain/(loss) for Fiscals March 31, 2023, March 31, 2022 and March 31, 2021, as per our Restated Consolidated Financial Statements was ₹53.13 million , ₹32.37 million and ₹19.21 million respectively and constituted 1.97%, 1.34% and 1.33% of our total revenue from operations for Fiscals March 31, 2023, March 31, 2022 and March 31, 2021respectively. We cannot guarantee that we will not experience losses, on account of fluctuations in currencies going forward, and such losses may have an adverse effect on our business, results of operations and financial condition.

Export destination countries may also enter into free trade agreements or regional trade agreements with countries other than India. Such agreements and alteration of existing tax treaties may lead to increased competition or may even place us at a competitive disadvantage compared to manufacturers in other countries. India is also a party to, and is currently negotiating, free trade agreements with several countries including the United Kingdom and if we export our products to such countries, any revocation or alteration of current or future bilateral agreements may also adversely affect our ability to export. Occurrence of any of these events may adversely affect our business, financial condition and results of operations. Further, changes in import policies or an economic slowdown in countries to which we export our products may have a significant adverse impact on our business, financial condition and results of operations. Further, the GoI notifies policies providing fiscal benefits on exports and imports from time to time and any discontinuance or non-availability of such fiscal benefits enjoyed by us or our inability to comply with related requirements may have an adverse effect on our business and results of operations.

Any change in the rates and/or the scheme structure announced by GoI can have material adverse effect on our results of operation or financial condition. We cannot assure you that we will successfully obtain such a license every time and/or will subsequently be able to comply with the requirements prescribed thereunder.

2. ***We in the usual course of business do not enter into long-term contracts with suppliers for our raw materials We are dependent on China for a significant portion of raw material suppliers, loss of any major suppliers increase in the cost of raw material by any supplier, or a shortfall in the availability or quality of such raw materials, in a timely manner or at all, or our ability to pass these costs onto our customers could have an adverse effect on our business and results of operations.***

Our competitiveness, manufacturing costs, and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials. We procure our essential raw material viz Stainless steel Coils and wires from China from international market and from Uttar Pradesh Gujarat, Haryana and Maharashtra in domestic market. We also procure fittings made of various materials including stainless steel, polytetrafluoroethylene and other materials from Indian and international markets. For the Fiscals March 31, 2023, March 31, 2022 and March 31, 2021 our raw materials purchase from out of India was ₹859.98 million, ₹721.79 million and ₹452.79 million which contributed to 45.22%, 45.81% and 47.10% of our total raw material purchases respectively. For the Fiscals 2023, 2022 and 2021 our raw materials purchase from domestic market was ₹1,041.80 million, ₹853.86 million and ₹508.46 million which contributed to 54.78%, 54.19% and 52.90% of our total raw material purchases respectively . Our results of operations and financial conditions are significantly dependent on the availability and cost of raw materials specifically stainless steel coils and stainless steel wires.

The table below sets forth certain information relating to our raw materials suppliers as a % of total raw material purchases in the periods indicated:

(₹ in million)

Supplier Concentration	Raw material purchase for March 31, 2023	%	Raw material purchase for March 31, 2022	%	Raw material purchase for March 31, 2021	%
Supplier concentration (Top 05)	1,416.68	74.49%	1,174.12	74.52%	711.12	73.98%
Supplier concentration (Top 10)	1,544.95	81.24%	1,296.22	82.27%	774.81	80.60%

The country details pertaining to country wise imports and domestic purchases of our Company's raw materials for Fiscals March 31, 2023, March 31, 2022 and March 31, 2021 are provided below

Import Purchase for our essential raw material viz. Stainless Steel coils and wires

Particulars	Fiscal 2023	% of total purchases	Fiscal 2022	% of total purchases	Fiscal 2021	% of total purchases
China	826.83	43.48%	634.33	40.26%	316.39	**32.91%**

Domestic Purchase for our major raw material viz. Stainless coil and wire

Particulars	Fiscal 2023	% of total purchases	Fiscal 2022	% of total purchases	Fiscal 2021	% of total purchases
Uttar Pradesh	295.33	15.53%	182.89	11.61%	106.68	11.10%
Gujarat	216.51	11.38%	290.27	18.42%	161.69	16.82%

Haryana	113.52	5.97%	72.30	4.59%	18.67	1.94%
Maharashtra	31.53	1.66%	42.91	2.72%	41.18	4.28%

We do not enter into long term contracts with our suppliers and all our sourcing is based on individual purchase orders placed with our suppliers. Prices are negotiated for each purchase order with the respective supplier. While selecting our suppliers, we consider cost, grade, quality, time to fulfil, supplier's history and experience and capacities. While we are not significantly dependent on any single raw material supplier, raw materials 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 inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. We are also dependent on supplied raw materials being of quality and meeting relevant technical specifications and quality standards. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them on commercially acceptable terms. Most of our raw materials are made of stainless steel which is a commodity. Any volatility in the prices of stainless steel can significantly affect our raw material costs. However, our Company continuously tracks the changes in raw material prices and adopts stricter measures to address such fluctuations. Our raw materials inventory was equal to 46 days of consumption as on March 31, 2023. If we are not able to compensate for or pass on our increased costs to customers, such price increases could have a material adverse impact on our result of operations, financial condition and cash flows. Our finished products are tested by our in-house testing team through various processes and thereafter by the customer, pursuant to which, we strive to minimise the probability of defects in such products however, in the event, delivered materials are defective on account of any unforeseen circumstances such as including any accident or damage during transit or adverse weather conditions, we might face warranty and damages claims from our customers. Production errors may lead to product recalls which could also lead to compensation claims and significantly damage our reputation and the confidence of present and potential customers and could have an adverse effect on our results of operations. Although, the price of our finished goods is linked to the price of our raw materials the absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these costs onto our customers, which may reduce our profit margins. In addition, while we estimate the demand of our products, and accordingly plan our production volumes, any shortage in the supply of our raw materials, may also result in our estimates going wrong which could result in either surplus of raw materials, which may result in additional storage cost and may not be sold in a timely manner or deficit of raw materials leading to our inability to meet our customer requirements and product demand, resulting in a reduction in our profit margins. In addition, absence of long-term contracts with our raw materials suppliers may also lead to our delivery/ production estimates being adversely affected. While we estimate the demand for our products and accordingly plan our production volumes, any error in our estimate could also result in surplus or shortage of raw materials, which may not be sold in a timely manner. Shortage of raw materials would lead to our estimates being adversely affected, resulting in loss of our business and an adverse impact on our results of operations, cash flows and financial condition.

3. ***Our business is dependent and will continue to depend on our single manufacturing facility, and we are subject to certain risks in that behalf. Any slowdown or shutdown in our manufacturing operations could have an adverse effect on our business, financial condition and results of operations*.**

We have a single Manufacturing Facility situated in Taloja, Navi Mumbai in the state of Maharashtra spread across 3,59,528 square feet of area. The capacity utilisation of our Manufacturing Unit was 9.15 million meters p.a., 9.95 million meters p.a. and 7.81 million meters p.a. constituting 83%, 90% and 71% of the total installed capacity i.e., 11.00 million meters p.a. for the Fiscal March 31, 2023, March 31, 2022 and March 31, 2021 respectively. Our Manufacturing Facility is equipped with advanced equipment, modern technology and semi-automated systems and our business is dependent upon our ability to manage our Manufacturing Facility which are subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment or industrial accidents, severe weather conditions, fire, power interruption and natural disasters. While there have been no such instances during the Fiscal March 31, 2023, March 31, 2022 and March 31, 2021, any significant malfunction or breakdown of our machinery, our equipment, our automation systems, our IT systems or any other part of our manufacturing processes or systems may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair manufacturing assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate manufacturing assets to replace them and there can be no assurance that the new manufacturing assets will be procured and/or integrated in a timely manner. In addition, we may be required to carry out planned shutdowns of our Manufacturing Facility for maintenance, statutory inspections, customer audits and testing, or we may shut down one or more of our Manufacturing Facility for capacity expansion and equipment upgrades.

In particular, outbreak of a pandemic or any materially adverse social, political or economic development, civil disruptions, or changes in the policies of the national, state or local governments in any of the jurisdictions where our Manufacturing Facility is situated, could adversely affect operations of our integrated production facility. In the future, we may also experience plant shutdowns or periods of reduced production because of regulatory issues, power outage, severe weather conditions, natural disaster, equipment failure, employee-related incidents that result in harm or death, delays in raw material deliveries or as a result of an escalation of the COVID-19 pandemic or related response measures. In addition, we also may face protests from localites at our Manufacturing Facility which may delay or halt our operations. Further, we may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our Manufacturing Facility to cease, or limit, production until the disputes concerning such approvals are resolved. Although we have not experienced any significant disruptions at our Manufacturing Facility during the Fiscals March 31, 2023, March 31, 2022 and March 31, 2021 we cannot assure you that there will not be any disruptions in our operations in the future. Our total manufacturing operating expenses which comprised depreciation and amortisation, repair and maintenance expenses, power and fuel was ₹134.67 million, ₹129.53 million and ₹101.33 million contributed to 5.00 %, 5.38 % and 7.00% of our total income from operations for Fiscals March 31, 2023, March 31, 2022 and March 31, 2021 respectively. While there has been no material impact of such closure on our operations, we cannot guarantee that any such similar closure in the future would not have an adverse impact on our operations. Any inability to utilise our Manufacturing Facility, to its full or optimal capacity, non-utilisation of such capacity may adversely affect our results of operations and financial condition.

4. ***Our Company requires significant amounts of working capital and significant portion of our working capital is consumed in trade receivables and inventories. Our inability to meet our working capital requirements including failure to realise receivables and inventories may have an adverse effect on our results of operations and overall business.***

Our business requires significant working capital, such as to finance the purchase of raw materials, consumables, stores & spares and payments for operating expenses before we receive payment from our customers. In addition, the actual amount of our future capital requirements may differ from estimates as a result of, among other factors, cost overruns, unanticipated expenses, regulatory changes, economic conditions, additional market developments and new opportunities in the industry. A significant portion of our working capital is consumed in trade receivables and inventories. Summary of our working capital position is given below:

(₹ in million)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Current Assets			
Inventories	560.07	358.22	343.20
Trade Receivables	669.70	526.12	337.80
Cash and cash equivalents	61.32	82.05	34.77
Bank Balances Other than above	1.21	1.23	1.15
Other Financial Assets	6.13	4.57	4.27
Other Current Assets	245.96	317.44	433.18
Total Current Assets (A)	**1544.39**	**1,289.64**	**1,154.37**
Current Liabilities			
Trade Payables	366.30	341.85	403.36
Current Tax Liabilities (Net)	60.72	75.42	-
Other Current Liabilities	109.11	153.71	85.74
Total Current Liabilities (B)	**536.13**	**570.98**	**489.10**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Working Capital Requirement (A-B)	**1008.26**	**718.65**	**665.26**
Working Capital Requirement as a % of Total Assets	47.12%	39.18%	41.16%
Working Capital Requirement as a % of Revenue from Operations	37.42%	29.84%	45.95%
Inventories as a % of Total Current Assets	36.26%	27.78%	29.73%
Trade Receivables as a % of Total Current Assets	43.36%	40.80%	29.26%

Our inventories for Fiscal March 31, 2023, March 31, 2022 and March 31, 2021 is Rs. 560.07 million, Rs. 358.22 million and Rs.343.20 million which represents as a % of total current assets as 36.26%, 27.78% and 29.73%, respectively. We have to maintain adequate inventories of raw materials, stores, spares & consumables, work-in-progress and finished goods to meet our day to day requirements and avoid situations like stock-outs. The result of our operations depend upon our ability to manage our inventories. To effectively manage our inventories, we must be able to accurately estimate customer demand and supply requirements and manufacture and trade inventory accordingly. If our management misjudges expected customer demand, it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, which could have an adverse impact on our income and cash flows, liquidity and overall business.

We believe that our projected inventories are result of two factors i.e. our historical inventories trends and our conservative approach in assuming inventories due to supply chain related disruptions we are facing as on date. Additionally, we have assumed quick payments to our trade payables going forward leading to lower holding periods for trade payables. This is in line with our strategy to obtain better payment terms from our vendors particularly our import vendors, since majority of our raw material requirements are fulfilled through imports. The increase in projected mainly on account of reduction in trade payable holding period from 71 days in Fiscal 2023 to 48 days in Fiscal 2024 and 2025 each. On an overall basis, our inventory days (Raw Material, Work in Progress and Finished Goods) were 116 days in Fiscal 2023 which are projected to grow to 126 days and 129 days in Fiscal 2024 and 2025 respectively.

Following is the monthly revenue achieved in the month of March and April in (2023 vs 2022):

₹ in million	**April 2023**	**April 2022**	**March 2023**	**March 2022**
Revenue from operations	253.06	202.31	295.07	216.38
Growth M-o-M	25.09%		36.37%	

Our trade receivables were ₹ 669.70 million, ₹526.12 million and ₹337.80 million as on March 31, 2023, March 31, 2022 and March 31, 2021 respectively aggregating to 24.85%, 21.85% and 23.33% of revenue from operation as on March 31, 2023, March 31, 2022 and March 31, 2021 respectively. Out of the above trade receivables for Fiscal March 31, 2023, ₹ 550.11 million was due for a period less than 6 months and ₹ 119.59 million was due for a period of more than 6 months. Out of the total trade receivables of ₹ 526.12 million outstanding as at 31 March 2022, ₹ 510.32 million were outstanding for less than 6 months and ₹ 15.80 million were outstanding for a period of more than 6 months. Out of the total trade receivables of ₹ 337.80 million outstanding as at 31 March 2021, ₹ 322.90 million were outstanding for less than 6 months and ₹ 14.90 million were outstanding for a period of more than 6 months. All trade receivables are undisputed and considered good as at March 31, 2023. Our trade receivables turnover days were 91 days, 80 days and 85 days for the Fiscals March 31, 2023, March 31, 2022, and March 31, 2021 respectively. Our trade receivables are generally non-interest bearing in nature. Our working capital requirements may increase if the payment terms in purchase orders received include reduced or zero advance payments or longer payment schedules, or if there is delayed realisation from our customers. These factors may result in increases in the amount of our receivables and short-term borrowings. Continued increase in our working capital requirements may have a material adverse effect on our financial condition, results of operations and cash flows. Our inability to maintain sufficient cash flows, realize existing inventories & trade receivables, maintain credit facility and other sources of fund, in a timely manner, or at all, to meet the increasing requirement of working capital may have significant adverse effect on our financial condition and result of our operations. For further details, please refer to the chapter titled "*Objects of the Offer*" beginning on page 100 of this Prospectus.

5. ***We derive revenue from sale of number of products viz. sale of stainless steel corrugated flexible hoses (with and without braiding), stainless steel braiding, stainless steel interlock hoses, assemblies, and others and significant revenue from stainless steel corrugated flexible hoses (with and without braiding). Any decrease in the sales of our key products will adversely affect our business, cash flows, financial condition and results of operations. Our inability to successfully further diversify our products may adversely affect our growth and negatively impact our profitability.***

We derive revenue from the sale of products viz. stainless steel corrugated flexible hoses (with and without braiding), stainless steel braiding, stainless steel interlock hoses, assemblies and others for Fiscal March 31, 2023, March 31, 2022 and March 31, 2021, according to our Restated Consolidated Financial Statements is, ₹2,605.26 million, ₹2,329.87 million and ₹1,397.32 million respectively, aggregating to 96.68%, 96.76% and 96.52%, of our revenue from operations. Considering the significance of the contribution of our product offerings to our revenues from operations, our Company's revenue from operations is dependent upon the sale of the ***of stainless steel corrugated flexible hoses (with and without braiding),*** for Fiscal March 31, 2023, March 31, 2022 and March 31, 2021, according to our Restated Consolidated Financial Statements is, Rs. 1,610.41 million, Rs. 1,630.86 million and Rs. 993.00 million respectively, aggregating to 59.76%, 67.73%, and 68.59%, of our revenue from operations was contributed from sale of the of stainless steel corrugated flexible hoses (with and without braiding). In the event any substitutes or alternatives for the aforesaid products are developed by any of our competitors or third party business resulting in a decrease in demand of our key product offerings, our business, profitability and revenue from operations will be adversely effected. We cannot assure you that the transition of our production unit and resources to fulfil production under new product programs will not impact production rates or other operational efficiency measures at our units. Further, we cannot assure you that we will succeed in effectively implementing the new technology required in manufacturing new products or that we will be able to recover our investments. Any failure in the development or implementation of our operations is likely to adversely affect our business, results of operations and cash flows. Our Company's customers require several of our Company's products which may or may not include specifications with respect to certain factors relating to the product. Further, our clients may experience rapid changes in their prospects, substantial price competition and pressure on their profitability. For example, a downturn or slowdown in the sale of SS Hoses with Braiding could have an adverse effect on our business, results of operations, financial condition, and cash flows.

6. ***We in the usual course of business do not have long term contracts with most of our customers and rely on purchase orders for delivery of our product and they may cancel or modify their orders, change production quantities, delay production or change their sourcing strategy. Loss of one or more of our customers or a reduction in their demand for our products could adversely affect our business, results of operations and financial condition.***

Although, in past we have received repeat orders from our customers and they continue to work with us however we do not enter into long-term agreements with most of our customers and we rely on purchase orders to govern the volume and other terms of our sale of products to them. Many of the purchase orders we receive from our customers specify a price per unit and the delivery schedule. Absence of any long term contracts or contractual exclusivity with respect to our business arrangements with such customers poses a challenge on our ability to continue to supply our products to these customers in future. Further, the number of purchase orders that our customers place with us differ from quarter to quarter, which has caused our revenues, results of operations and cash flows to fluctuate in the past and we expect this trend to occasionally continue in the future. The details of revenues attributable to existing customers of the Company vis-à-vis new customers of the Company along with relevant details as to the revenue from operations (less foreign exchange and less other operating income) and sale of products and sale of scrap is produced herein below.

(₹ *in million)*

Particulars	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023
Revenue from operations	1,447.74	2,408.00	**2,694.61**
Less: Foreign exchange fluctuation	19.21	32.37	53.13
Less: Other Operating Income	22.96	29.96	14.28
Sale of products and ***sale of scrap***	1,405.56	2,345.68	**2,627.20**
Revenue from Existing customers	1,388.20	2,310.61	2,263.81
Revenue from New customers	17.36	35.07	363.38

We may encounter problems executing an order from a customer in accordance with the requirements of the customers on a timely basis. Additionally, our customers have high and stringent standards for product quantity and quality as well as delivery schedules and any failure to meet our customers' expectations and specifications could result in cancellation of orders or the risk of the customer not placing any subsequent orders or might place orders for lesser quantity. There are also a number of factors, other than our performance, that could cause the loss of a customer such as, (a) increase in prices of raw materials and other input costs resulting in an increase in the price of our products; (b) changes in customer requirements and preferences; (c) changes in governmental or regulatory policy; (d) slowdown in the customer's industry due to any reasons; and (e) change in technology. Any of these factors may have an adverse effect on our business, results of operations and financial condition. Due to the possibility of orders not being placed, cancellations or changes in scope and schedule of orders, which is typically at the discretion of our customers, or problems we encounter in order execution or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent a project will be performed or that purchase orders will be in one period as consistently as they have been in prior periods.

Delays in the completion of an order could lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such order. These payments often represent an important portion of the margin we expect to earn on an order. In addition, even where an order proceeds as scheduled, it is possible that the customers may default or otherwise honour to pay amounts owned. Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to any other uncompleted orders, or disputes with customers in respect of any of the foregoing, could materially harm our cash flow position, revenues and earnings.

In addition, all our decisions, with respect to production schedules, capacity expansions, personnel requirements and other resource requirements are based on our estimates of our customer orders. If we underestimate or overestimate the demand from our customers, our entire planning and decision-making would be adversely affected, which could result in the loss of business leading to an adverse effect on our results of operations and financial condition.

7. ***If we fail to effectively implement our production schedules, our business and results of operations may be materially and adversely affected.***

Our success depends in part on our ability to meet the production and assembly schedules and requirements of our customers according to their detailed specifications and delivery time frames which are, at times, demanding and complex. In particular, some of our customers who tend to require large volumes of our manufactured and assembled products, as well as customised product, within a limited amount of time. Our ability to meet these demands depends in part on our ability to rapidly ramp up production and commence large-scale production of technically complex products within short time frames. In the past three Fiscals we have not faced any instance wherein we have not been able to meet with the demand raised by customers. However we may not be able to maintain and enhance our production capabilities in time or implement our production plans effectively. If we are unable to maintain or enhance our production capabilities to satisfy customer demand, or our production operations suffer unanticipated or prolonged interruption, our business and results of operations would be adversely affected.

8. ***Our Promoter is involved in a tax proceedings which is currently pending. Any adverse decision in the proceeding may render our Promoter liable to penalty and/or monetary compensation and may adversely affect our business and results of operations.***

There is one outstanding legal proceeding involving our Promoter which is pending before Hon'ble High Court of Bombay. Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. Any unfavourable decision in connection with such proceeding could adversely affect our reputation, business, financial condition and results of operations. Certain details of such outstanding legal proceeding as on date of this Prospectus are set out below:

Litigations against our Promoter

(₹ in million)

Nature of Litigation	Number of matters outstanding	Amount involved
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	01	22.63
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

'Our Promoter i.e., Sat Industries Limited received a show cause notice dated August 08, 2022 issued by Department of Goods and Service Tax (Government of Maharashtra) ("**Show Cause Notice**") for cancellation of Goods and Service Tax Registration of our Promoter. The said Show Cause Notice does not specifically demand any amount to be paid by our Promoter. Further, our Promoter being aggrieved by the said notice has filed an writ petition dated August 17, 2022 bearing registration number WP/3643/2022 challenging the unlawful cancellation our Promoter's GST registration without awarding an opportunity of being heard and also challenging the amendment to Rule 21A(2) of Central Goods and Service Tax Rules, 2017 brought in vide notification dated December 22, 2020 issued by Government of India, Ministry of Finance (Department of Revenue) Central Board of Indirect Taxes and Customs. The Hon'ble High Court of Bombay vide its order dated August 29, 2022 granted an ad-interim relief by staying the effect of Show Cause Notice 1 and Show Cause Notice 2 and revoked the suspension of GST registration of the Promoter. Further to the above, upon completion of assessment for FY 2017-18 our Promoter received a show cause notice dated February 21, 2023 under S.73 of Central Goods and Service Tax Act, 2017 disallowing ITC claimed by Sat industries Limited and demanding an amount of ₹2,26,20,426.30/- (including GST, interest and penalty). Our Promoter being aggrieved by the aforesaid show cause notice, has preferred an appeal praying for allowing the Promoter's claim of input tax credit and deletion of penalty and interest amount in full. The matter is presently sub-judice. Further, if the aforesaid litigation proceeding are adjudicated against our Promoter, the cancellation of GST registration of our Promoter will be upheld and a penalty may be imposed upon our Promoter. In the event our Promoter is subject to an unfavorable decision being passed in the aforesaid litigation proceedings, the same may affect the business reputation of our Promoter.

9. ***The industry segments in which we operate being fragmented and diversified, we face competition from other large and small global and domestic players, which may affect our business operations and financial conditions***

We compete in Flexible Flow Solutions made with Stainless Steel Corrugation. Factors affecting our success include, amongst other things, price, demand for our products, availability of raw materials and reliability. Our global competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our global competitors have a longer history of established businesses and reputations in the industry in which we operate. Competitive conditions in some of our segments may cause us to realise lower net selling prices and reduced gross margins and net earnings. Changes in the identity, ownership structure, and strategic goals of our global competitors and the emergence of new competitors in our industry may impact our financial performance. Our failure to compete effectively, including any delay in responding to changes in the industry and market, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability. The revenue from operation for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 was ₹ 2,694.61 million, ₹ 2,408 million and ₹ 1,447.74 million respectively. There are no listed companies in India that are engaged in a business similar to that of our company accordingly it is not possible to provide an industry comparison in relation to our company in India. However, globally, there are listed peers that are engaged in a business similar to that of our Company.

- product functionality, quality and reliability;

- design, and production capabilities;
- ability to meet customers order requirements and delivery schedules;
- customer relationships and
- product price.

New competitors may include foreign-based companies and domestic producers who could enter our markets.. As on the date of this Prospectus, there are no comparable listed companies that are similar in size and nature and are involved in the same line of business, which are listed on the Indian Stock Exchanges and accordingly, we are not in a position to provide comparative analysis of our performance with any listed company. Therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Offer.

10. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and we have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Issue and have not been independently appraised by a bank or a financial institution Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***

We intend to use the Net Proceeds of the offer for the purposes described in the section titled "*Objects of the Offer*" on page 100. The Objects of the Offer comprise funding incremental working capital requirements of our Company, repayment/prepayment, in part or full, of certain of our borrowings and general corporate purposes.

The Objects of the Offer have not been appraised by any bank or financial institution, and our funding requirement is based on current conditions, internal estimates and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Such internal estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, results of operations, financial condition and cash flows. Accordingly, investors in the Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds. Further, pursuant to Section 27 of the Companies Act, any variation in the Objects of the Offer would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Offer, at such price and in such manner in accordance with applicable law. Our Company, in accordance with the applicable law and to attain the objects set out above, will have the flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company may temporarily deposit the Net Proceeds within one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. We will appoint a monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations. Further, our Promoter would be liable to provide an exit opportunity to shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement of our Promoter to provide an exit opportunity to such dissenting shareholders may deter the Promoters' from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our

Company. Further, we cannot assure you that the Promoter of our Company will have adequate resources at its disposal at all times to enable it to provide an exit opportunity at the price prescribed by SEBI.

11. ***The markets in which our customers operate are characterized by sectors specific to the industries which we cater to and their changing preferences and other related factors including lower manufacturing costs and therefore as a result we may be affected by any disruptions in the industry. Our profitability, business and commercial success is significantly dependent on our ability to successfully anticipate the industry and customer requirements and utilize our resources to enhance and develop our products that efficiently satisfy and meet our client's specific requirements in a timely manner. Any failure on our part to do so, may have an impact on the reputation of our products, which could have an adverse effect on our revenue, reputation, financial conditions, results of operations and cash flows.***

The markets in which we and our customers operate is characterized by changing technology, evolving industry standards and demands for features, and continual product innovation. These conditions may also result in significant competition. If the end-user demand is low for our customers' products, there may be significant changes in the orders from our customers and we may experience greater pricing pressures. Therefore, risks that could harm the customers of our industry could, as a result, adversely affect us as well. Our success is therefore dependent on the success achieved by our customers in developing and marketing their products. If our customers' technologies become obsolete or fail to gain widespread commercial acceptance, our customers may experience a reduced demand for their products which may affect our sales to such customers, operating margins depending on the nature of the product, and all of these combined may gradually result in a loss of customers including key ones. However, there can be uncertainty regarding the development and production of these products as planned and failure to anticipate or respond rapidly to advances in technology can have a material adverse effect on our business, results of operations, financial condition and cash flows. Additionally, industry-wide competition for market share of various products can result in aggressive pricing practices by our customers and therefore our customers may also choose to import some of these products which provide them better cost benefits as compared to us or source the products from our competitors. The price-pressure from our customers may adversely affect the prices of the products which we supply, which may lead to reduced revenues, lower profit margins or loss of market share etc., any of which would have a material adverse effect on our business, results of operations, financial condition and cash flows.

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

(₹ in million)

Industry / Sector	March 31, 2023		March 31, 2022		March 31, 2021	
	Revenue	%	Revenue	%	Revenue	%
Steel	576.81	21.96	509.51	21.72	381.79	27.16
Oil and Gas	497.39	18.93	375.31	16.00	200.19	14.24
Refineries	432.17	16.45	316.67	13.50	171.59	12.21
Fire Sprinklers & Fire Fighting	430.79	16.40	572.10	24.39	285.99	20.35
Chemicals and Petrochemicals	412.39	15.70	351.85	15.00	228.79	16.28
Metals and Mining	215.18	8.19	159.61	6.80	111.96	7.97
Solar	17.14	0.65	-	-	-	-
Others	45.33	1.73	60.63	2.58	25.24	1.80
Total	2627.20	100.00	2345.68	100%	1405.56	100

In relation to other end-use industries, the demand for our products and margin of our products is dependent on and directly affected by factors affecting such industries. Accordingly, our failure to effectively adapt to such endues industry related disruptions, could adversely affect our business, results of operations and financial condition. As a result, we must continually modify and improve our products in response to changes in our customers' requirements or end-user preferences.

12. ***If the products we manufacture are found to be deficient, we may lose our customers and may be subject to product liability claims or claims alleging deficiency which may also cause damage to our reputation and/or adversely affect our results of operations and financial condition.***

Given the critical nature of the application of our products we always aim to maintain quality standard for the performance. Our customers have expectations for product quality. We try to ensure that our products are faultless and conform to the specific requirements of our customers. Although we conduct quality tests of our products prior to the delivery to our customers, we do not have dedicated quality assurance team conducts material inspections and then subjects the products to various tests, such as environmental stress screening, following which the products are sent for packaging. However, our quality control procedures may fail to test all possible conditions of use or identify all defects in the design, engineering or specifications of our products viz. corrugated hoses, braiding, interlock hoses and assemblies. Also, any defect or our inability to comply with the quality parameters of our customers may lead to cancellation of existing orders or non-renewal of contracts by our customers and in certain instances may even impose additional costs in the form of product liability and/or product recall thereby creating an adverse impact on our reputation, business, cashflow and results of operations and future prospects. Our business depends on delivering stainless steel flexible flow solutions as well as several other products of global standards and consistently standard quality to our customers, which we believe has been a key factor for source products and components from us. Many of our products are subject to standards and safety regulations in India and countries where we export. There may be defects in our products which may result in product recalls, repair and remediation claims and other losses to our customers. We may be required to replace or repair defective products at our own cost, defend related litigation or compensate our customers for losses or damage caused by these defects including other incidental costs. In addition, quality defects may cause us to lose customers to our competitors and loss of reputation and goodwill of our Company. We may also have to expend resources to defend ourselves in the event that claims, or legal proceedings are instituted directly against us. Any such occurrence on account of errors and omission or failure to meet quality and standards of our products and processes can have serious consequences including replacement of the product, which will require us to incur additional cost, which will not be borne by the customer and could result in damage to our reputation and loss of customers, which could adversely affect our business, operations, our cash flows and financial condition. This may result in our customers cancelling present or future purchases of our products.

Though the Company has not adopted any formal materiality policy for the purpose of determining materiality of product deficiency instances, the Company considers any product deficiency resulting into sales being returned for an amount exceeding 0.1% of the Company's revenue from operations to be a 'material product deficiency'. For the Fiscals March 31, 2023, March 31, 2022 and March 31, 2021 there has been only one occasion of 'material product deficiency' wherein the Company experienced a sales return of ₹1.90 million which barely forms 0.1% of our revenue from operations for Fiscals March 31, 2022.Further, upon such products being returned by the respective customer our Company has forthwith taken the requisite action to replace the deficient products with fully functional products not suffering from any deficiency.

13. ***We depend on third parties for the supply of raw material and delivery of products. A disruption in the supply of raw materials or failure of our suppliers to meet their obligations could impact our production and increase our costs.***

We are dependent on third party suppliers for the raw materials used in the manufacture of our products. We purchase most of the raw materials used in our manufacturing process from a limited number of third-party suppliers. Our top five raw material suppliers for Fiscals March 31, 2023, March 31, 2022 and March 31, 2021, as per our Restated Consolidated Financial Statements was ₹1,416.68 million , ₹1,174.12 million, ₹ 711.12 million constituted 74.49%, 74.52%, 73.98% of our total raw material purchases during such period. There is no assurance that if we experience a disruption of supplies, we will be able to source such commodities from alternative suppliers on similar commercial terms and within a reasonable timeframe.

We select suppliers based on total value (including total landed price, quality and delivery), taking into consideration their production capacities and financial condition and expect that they will deliver in accordance with our quality standards and comply with their contractual obligations with us. However, there can be no assurance that capacity limitations, industry shortages, labour or social unrest, weather emergencies, commercial disputes, government actions, riots, wars, pandemic, sabotage, cyberattacks, non-conforming parts, acts of terrorism, "Acts of God", financial or operational instability of suppliers, or other problems that our suppliers experience will not result in occasional shortages or delays in their supply of raw materials to us. We are dependent upon the ability of our suppliers to meet performance and quality specifications and delivery schedules. The inability of a supplier to meet these requirements, the loss of a significant supplier, or any labour issues or work stoppages at a significant supplier could disrupt the supply of raw materials to our units, preventing our Company from delivering to its customers, or cause returns of products under warranty or product recalls. This would have a material adverse impact on our customer relations, reputation and business and also generate additional costs for our Company such as increased transportation costs and costs related to finding alternative suppliers within constrained timelines which could adversely impact our financial condition.

If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers and could not procure the raw materials from other sources, we would be unable to meet the production schedules for some of our products and could miss customer delivery expectations and future business from these customers. We cannot assure you that our suppliers will continue to supply the required raw materials to us or supply such raw materials at prices favourable to us. Any change in the supplying pattern of our raw materials can adversely affect our business, financial conditions and results of operations. We cannot assure you that such delays or disruption in the supply of raw materials or failure of our suppliers to meet their obligations will not occur in the future or that we will be able to adequately address such delays, disruptions and non-availability of supply of raw materials adequately and in a timely manner, which in turn could impact our production and increase our costs.

We also use third parties for the deliveries of our products from our manufacturing unit and warehouses to our domestic and overseas customers. Transportation strikes and other supply chain disturbances (including container non-availability etc.) have in the past and could in the future have an adverse effect on our supplies and deliveries to and from particular plants on a timely and cost-efficient basis. An increase in freight costs or the unavailability of adequate port and shipping infrastructure for transportation of our products to our markets may have an adverse effect on our business and results of operations. Further, we are also exposed to risks associated with various modes of transportation. While delivery of components to customers within India is generally shipped by road or rail, the majority of our export shipments to our international customers are by sea and subject to risks, including damage or loss of containers due to shipwreck, mishandling of our shipment at port or at sea, damage during transportation, loading and unloading, damage due to accidental fires and bad weather conditions, theft at sea, delay in customs clearance and other factors beyond our control. The occurrence of all or any of the above factors will result in delays in deliveries to our customers which could further cause a shutdown in our customers production processes exposes us to damage and penalties, adversely affect our reputation, cause a loss of business and adversely impact our results of operations. While we have obtained insurance to cover such risks, which is in line with industry practice, our insurance policies may not be adequate to cover fully all potential risks related to delivery and transportation of our products. Further, there is no assurance that the amount of our insurance coverage will be sufficient to satisfy any damages arising from the occurrence of all or any of the above risks.

14. *We have had experienced negative cash flows in the recent past, and we may have negative cash flows in the future.*

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

(₹ in million)

Particulars	**Fiscal March 31, 2023**	**Fiscal March 31, 2022**	**Fiscal March 31, 2021**
Net cash flow from/(outflow) investing activities	(94.56)	(133.85)	(29.09)
Net cash flow from/(outflow) financing activities	35.92	(139.41)	(103.87)
Net increase/(decrease) in cash and cash Equivalents	(20.76)	47.37	(12.08)

There can be no assurance that our net cash flows will be positive in the future. Any negative cash flows in the future could adversely affect our results of operations and financial condition, and we cannot assure you that our net cash flows will be positive in the future. For further details, see "Summary Financial Information" and "*Management's Discussion and Analysis of Results of Operations and Financial Condition — Cash Flows"* on page 228 of this RHP.

15. ***Our Company is not a wilful defaulter however, we went into settlement process and our Company was categorized as wilful defaulter in the past, before the takeover of our Company by the present management.***

Our Company is not a wilful defaulter. However, in past, before the takeover of our Company by the present Promoter, our Company was categorised as wilful defaulter in relation to default of payment in the year 2011 with respect to consortium finance availed from State Bank of India (‘**SBI**’), Axis Bank, Bank of India, Exim Bank, UCO Bank and Allahabad Bank (together referred to as ‘**Consortium**’). Subsequently, in 2018, our Company was taken over by the present Promoter under the settlement process, and all the outstanding amounts were paid off by our Company. We are in receipt of ‘No Dues Certificate’ from all banks forming part of the Consortium. In addition, our Company raised a query with CIBIL seeking clarification on the status of the Company as a wilful defaulter, in response to which CIBIL *vide* email dated June 05, 2023 clarified that as per the enclosed screenshot extracted from the CIBIL Report of the Company, the status is clear and the Company is not reported as a wilful defaulter.

As per the commercial credit report of the Company, issued by CIBIL, Bank of India Limited (“**BoI**”) continues to report the closed facility of the Company as ‘doubtful credit facility’ though the amount outstanding against the said facility is reflecting as ‘nil’. Our Company has no dues payable to any lender forming part of the Consortium including BoI and we have no dues certificate obtained from BoI and other lenders forming part of the Consortium.

16. ***An inability to maintain adequate insurance coverage in connection with our business and Manufacturing Unit may adversely affect our operations and profitability.***

We have obtained a number of insurance policies in connection with our operations and Manufacturing Unit including property insurance, product insurance, marine insurance and employee insurance. For further information, please refer to chapter titled “*Our Business – Insurance*” on page 173 For Fiscals ended March 31, March 31, 2023, March 31 2022 and March 31, 2021 the aggregate insurance expenses incurred was ₹5.71 million, ₹ 5.84 million, ₹ 3.45 million which constituted 1.02%, 1.12% and 0.80% of our property, plant and equipment and capital work in progress respectively.

While we are of the opinion that the insurance coverage which our Company maintains would be reasonably adequate to cover the normal risks associated with the manufacturing activities and other operations of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. As on date of this Prospectus, our Company has availed property, marine, employees, vehicle and product insurance and maintains a total insurance coverage of ₹ 6,336.96 million. The total insurance coverage maintained by our Company is at par with the standards of the industry in which we operate. However, we cannot guarantee that our Company’s insurance policies may provide adequate coverage in certain circumstances and the same are subject to certain deductibles, exclusions and limits on coverage. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial condition may be adversely affected.

17. ***A shortage or non-availability of essential utilities such as electricity, water and gas could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.***

In addition, our facility and operations require constant power and fuel supply. For the Fiscals March 31, 2023, March 31, 2022 and March 31, 2021 our power and fuel expenses were ₹ 25.76 million, ₹ 29.26 million and ₹ 21.10 respectively constituting 0.96%, 1.22% and 1.46% of our revenue from operations respectively. We source the electricity and power requirements for our manufacturing facility mainly from state electricity boards. The quantum and nature of electricity and power requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involves significant capital expenditure and per unit cost of electricity produced is high. To battle electricity failures, we also have one DG set of 1050 KVA to meet exigencies of Manufacturing Facility, however, we cannot assure you that our facilities will be operational during power failures. Any disruption in the supply of electricity may disrupt our operations, which may interfere with manufacturing process, requiring us to either stop our operations or repeat activities which may involve additional time and increase our costs. If energy costs were to rise, or if electricity supplies or supply arrangements were disrupted, our profitability could decline. We source most of our electricity requirements for our Manufacturing Facility from state electricity board. While we trust we have adequate stand-by power supply, this may not be adequate if the disruption in the supply of the power is for a longer period. Additionally, such standby power supply may not be sufficient to enable us to operate our Manufacturing Facility at full capacity and any such disruption in the primary power supply available at our production facilities could materially and adversely affect our business, financial condition, results of operations and cash flows.

18. ***Our funding requirements and proposed deployment of the Net Proceeds with respect to unidentified acquisitions are based on management estimates and the same have not been independently appraised by a bank or a financial institution.***

We intend to use the part of the Net Proceeds of the Offer for the carrying out acquisitions of entities having a similar or synergetic business to our Company and who remain unidentified by our Company as on date of this Prospectus.

The Objects of the Offer have not been appraised by any bank or financial institution, and our funding requirement is based on current conditions, internal estimates and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of our industry, we may have to revise our acquisition plans from time to time and consequently our funding requirements may also change. The process of identifying and acquiring such aforesaid entities having a similar or synergetic business to our Company may be time consuming and we cannot guarantee that the same can be done in a timely manner and on terms favourable to us. Further, any inherent risks associated with the target entity whom we propose to acquire i.e., any regulatory penalties, actions, third party claims, debt obligations etc., not known to us prior to such acquisition but liability of which is levied upon us after such acquisition may affect the interests of our Company adversely. Moreover, any failure or delay on our part to identify a suitable and appropriate target entity in a time bound manner may also have an adverse effect on the interests of the Company. The, investors in the Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds and identifying a suitable and appropriate target business entity for the purpose of acquisition. Further, pursuant to Section 27 of the Companies Act, any variation in the Objects of the Offer would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Offer, at such price and in such manner in accordance with applicable law. Our Company, in accordance with the applicable law and to attain the objects set out above, will have the flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company may temporarily deposit the Net Proceeds within one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. We will appoint a monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations. Further, our Promoter would be liable to provide an exit opportunity to shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement of our Promoter to provide an exit opportunity to such dissenting shareholders may deter the Promoters' from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter of our Company will have adequate resources at its disposal at all times to enable it to provide an exit opportunity at the price prescribed by SEBI.

19. ***We derive significant portion of our revenues from our top five (05) customers located in India and globally to whom we sell our product offerings.***

We derive a major portion of our revenue from certain key customers, and accordingly, a material percentage of our future revenues will be dependent upon the successful continuation of our relationships with these customers or finding customers of similar size and scope. Our revenues may be adversely affected if there is an adverse change in any of our customers' supply chain strategies or a reduction in their outsourcing of logistics operations, or if our customers decide to choose our competitors over us or if there is a significant reduction in the volume of our business with such customers. The following table sets forth the revenue contribution of our top 5 for the years/ periods indicated.

(amount in ₹ million)

Revenue by customers	March 31, 2023		March 31, 2022		March 31, 2021	
	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations
Top 5	649.50	24.10	795.11	33.02	466.08	32.19

Further to the above, some of our Company's top customers are multi-national corporations, and a downturn in the global markets may adversely affect their operations, thereby affecting our business, cash flows, financial conditions or results of operations. During period of economic downturn, many companies may propose to reduce fixed costs, and may accordingly limit their use of our products. We may also experience more competitive pricing pressure during periods of economic downturn. If, in the event of unfavorable economic conditions, companies limit their spending on the products which we provide, it may have a material adverse effect on our financial and operating performance. Economic recovery is difficult to predict, and may be short lived, slow or uneven, with certain regions continuing to experience declines or weakness in economic activity while others improve. Differing economic conditions and patterns of economic growth or contraction in the geographical regions in which we operate may affect demand for our business services. Negative developments in one or more regions we operate in could result in a reduction in demand for our services, the cancellation or delay of contracts already placed, difficulty in collecting receivables, and a higher cost of doing business, any of which could adversely affect our business, cash flows, results of operations or financial condition.

20. *Our Company was one of the noticees in the Show Cause Notice dated October 22, 2021("SCN") issued by SEBI under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995.*

Our Company was one of the noticees in the Show Cause Notice dated October 22, 2021("SCN") issued by SEBI under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995.

Our Company was one of the parties against whom, SEBI had initiated adjudication proceedings under S.15HA of the SEBI Act for the alleged violations of S.12 (a), (b), (c) of the SEBI Act. Our Company along with the other noticees filed replies vide letters dated November 20, 2021, November 26, 2021, November 27, 2021 and December 13, 2021 and opportunity of hearing was provided on December 15, 2021. Upon submission of replies, after carrying investigation and conducting the hearing of parties, SEBI passed an adjudication order vide order no. Order/MC/RM/2021-22/14819-14829 dated January 28, 2022 disposing the adjudication proceedings. Additionally, no monetary penalty was imposed on our Company or any other noticees as the allegations did not have any merit and the same could not be established substantially.

Regardless of any monetary penalty not being imposed and any adverse order not being passed against our Company, we cannot assure you that we won't be subject to any type of aforementioned proceedings in the future. In the event we are subject to any type of such aforementioned proceedings or actions by statutory and regulatory authorities, our business, financial conditions, profitability and reputation may be affected adversely.

21. *Our Company has unsecured loan that may be recalled by the lender at any time.*

Our Company have currently availed unsecured loan which may be recalled by the lenders at any time. In such cases, the lender is empowered to require repayment of the facility at any point in time during the tenor. In case the loan is recalled on demand by the lender and our Company is unable to repay the outstanding amounts under the facility at that point, it would constitute an event of default under the respective loan agreements. As a result, of any such demand with respect to the loans of our Company may affect our business, cash flows, financial condition and results of operations. For the Fiscal March 31, 2023 and as on March 31, 2022, we had unsecured loans amounting to ₹ 70.56 million and ₹ 40.00 million respectively which constituted 15.68% and 10.22% of the total borrowings respectively. For further details, please refer to chapter titled "*Financial Indebtedness*" beginning on page 226.

22. ***Mr. Mustafa Abid Kachwala our Whole-time Director and Chief Financial Officer continues to be our Board, who was on Board when our Company's name was categorised as a 'wilful defaulter'.***

Mr. Mustafa Abid Kachwala, our Whole-time Director and Chief Financial Officer acting in his professional capacity was one of the directors on the Board of our Company when we went into settlement process with the lenders and Company's name was declared as a wilful defaulter. However, Mr. Mustafa Abid Kachwala has not been declared or categorised as a 'Wilful Defaulter'. Considering Mr. Mustafa Abid Kachwala's expertise/ involvement in the field of accounts and finance, he was retained on our Board even after our Company's takeover by our current Promoter in the year 2018.

23. ***The industry in which we operate is labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

Stainless steel hoses industry being labour intensive we are heavily dependent on both skilled and un-skilled labour force for smoothly carrying out our manufacturing operations. As on date of this RHP, our Company has engaged 44 (fourty-four) contract labourers while our Company is permitted to engage a maximum of 75 (seventy five) contract labourers. Shortage of skilled or unskilled personnel or work stoppages caused by disagreements or disputes with employees or other labour that we engage could have an adverse effect on our business, results of operations and product delivery schedule. Though our Company has not experienced any major disruptions in our business and manufacturing operations due to disputes or other problems with our work force in the past; however there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also need significant management attention and result in increased costs and expenses. India has strict labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees and other labour that we engage, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. If our employees and other labour that we engage resort to any strikes or work stoppages, it may become difficult for us to maintain flexible labour policies, which may have a material adverse impact on our business, results of operations and financial condition. We engage independent contractors through whom we engage contract labourers for performance of certain functions at our Manufacturing Facility for the performance of non-core tasks. Although we do not engage these labourers directly, we are responsible for any wage and statutory payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial conditions. In addition, we may be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.

24. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and we have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Issue and have not been independently appraised by a bank or a financial institution Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***

We intend to use the Net Proceeds of the offer for the purposes described in the section titled "*Objects of the Offer*" on page 100. The Objects of the Offer comprise funding incremental working capital requirements of our Company, repayment/prepayment, in part or full, of certain of our borrowings and general corporate purposes.

The Objects of the Offer have not been appraised by any bank or financial institution, and our funding requirement is based on current conditions, internal estimates and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Such internal estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, results of operations, financial condition and cash flows. Accordingly, investors in the Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds. Further, pursuant to Section 27 of the Companies Act, any variation in the Objects of the Offer would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Offer, at such price and in such manner in accordance with applicable law. Our Company, in accordance with the applicable law and to attain the objects set out above, will have the flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company may temporarily deposit the Net Proceeds within one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. We will appoint a monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations. Further, our Promoter would be liable to provide an exit opportunity to shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement of our Promoter to provide an exit opportunity to such dissenting shareholders may deter the Promoters' from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter of our Company will have adequate resources at its disposal at all times to enable it to provide an exit opportunity at the price prescribed by SEBI.

25. ***Our Company's profitability significantly depends upon our capability to provide customized Flexible Flow Solutions.***

Considering the complex nature of the use of our products we always endeavour to maintain high quality metrics for the usage of our products. Our customers have certain complex expectations for product quality, its application and certain structural as well other requirements. We try to ensure that our products entirely conform to the specific requirements of our customers. We regularly conduct quality tests of our products prior to the delivering them to our customers however, we do not have a dedicated quality assurance team which conducts critical inspections. Further, though our Company has a significantly experienced R&D team, we may not be able to guarantee entire conformity with the complex requirements and specifications of our customers leading to a loss of customers or loss of repeat orders. Considering the above, there may be defects in our products which might result in product recalls and repairs over our customers. For further details pertaining to our Company's capability, please refer to heading titled '*Capability to provide customized solutions*' in chapter titled '*Our Business*' on page 146.

26. ***We are dependent on our management team, number of Key Managerial Personnel and persons with technical expertise and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

We are dependent on our Directors, senior management and other Key Managerial Personnel as well as person with technical expertise for setting our strategy and business direction. Our senior management team has significant experience in in the industry we operate. The inputs and experience of our management and other person with technical expertise is valuable for the development of our business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain them or find adequate replacements in a timely manner, or at all. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit, retain and train experienced, talented and skilled professionals. The loss of the services of any key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. For Fiscals 2023, 2022 and 2021 the attrition rate of our Company was 7.31% , 7.17% and 10.16%. Further, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management personnel. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected.

27. ***Our financing agreements impose certain restrictions on our operations such as restrictions on availing any new facilities, restrictions on payouts in form of salary/remuneration to directors and restrictions on changes in shareholding and directorship of the Company. Our failure to comply with such aforesaid operational and financial covenants may adversely affect our reputation, business and financial condition.***

We have secured borrowings (long term and short term including current maturity) outstanding amounting to ₹ 379.50 million, ₹ 351.27 million, ₹ 449.62 million for the Fiscals March 31, 2023, March 31, 2022 and March 31, 2021. Certain of our financing arrangements impose restrictions on the utilization of the loan for certain specified purposes only, such as for the purposes of meeting specific capital expenditure, infrastructure repairs and renovation of existing production units including office premises in India, working capital use and related activities. Pursuant to the loan documentation executed by our Company, our Company is required to obtain prior consent from our lenders for, among other matters, amending our memorandum of association or articles of association, our capital structure, changing the composition of our management, Board of Directors, key managerial personnel or operating structure, effecting any change in the beneficial ownership or management control of our Company, undertaking merger or amalgamation, changing our constitution, issuance of Equity Shares, making certain kinds of investments, declaring dividends, making certain payments (including payment of dividends, redemption of shares, prepayment of indebtedness, payment of interest on unsecured loans and investments), undertaking any new project or further capital expenditure or implementing any scheme of expansion or diversification, investing, lending, extending advances, undertaking any kind of guarantee obligation on behalf of any third party or placing deposits with any other concern, entering into borrowing arrangements with any other bank, financial institution or company, creating any charges, lien or encumbrances over its assets or undertaking or any part thereof in favour of any third party, selling, assigning, mortgaging or disposing off any fixed assets charged to a lender, effecting any change in the nature of our business activities or in the nature or scope of our projects or any change in the financing plan, creation of security interest in secured properties and raising further indebtedness. Further, for the purpose of the Offer, our Company has obtained the necessary consents from its lenders, as required under the relevant facility documentations for undertaking activities relating to the Offer including consequent actions, such as changes / amendments to, including but not limited to, the constitutional documents (memorandum of association and/or articles of association) of our Company, the composition of its management set-up, the shareholding pattern, repayment/pre-payment of loans, etc. For further details, see "*Financial Indebtedness*" beginning on page 226.

28. ***Our Promoter is engaged in the business of investing in entities carrying out diverse businesses ranging across multiple industries. Any sudden downfall in the value of investments made by our Promoter may adversely affect the Promoter's profitability which in turn may have a negative impact on our Company.***

Our Promoter being engaged in investment activities has made more than 125 investments in start-ups across 30 different industries. Risks pertaining to aspects such as liquidity, concentration, market fluctuations etc. are inherently attached to the investment activities of our Promoter. For further details regarding the business of our Promoter, please refer to chapter titled '*Our Promoter and Promoter Group*' on page 206 of this Prospectus. There can be no assurance that the investments made by our Promoter will yield the desired returns in a time bound manner or at all which may result into reduced profitability or loss for our Promoter.

Such loss or any other adverse impact on our Promoter's business may have a negative impact on our Company's business and profitability which would not be in the best interest of our Company.

29. ***There are outstanding dues owed by our Company to creditors, material creditors and micro, small and medium enterprises.***

In accordance with the materiality resolution dated May 20, 2022, as on March 31, 2023 our Company has 2 material creditors. Further, as on March 31, 2023 our Company has 124 creditors and the aggregate outstanding dues these creditors by our Company are ₹ 366.30 million. Moreover, as on March 31, 2023 our Company owes an amount of ₹ 88.31 to micro, small and medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. For further details, please refer to chapter titled '*Outstanding Litigations and Material Developments*' under heading titled '*Outstanding Dues to Small Scale Undertakings or Any Other Creditors*' on page 267 of this Prospectus.

There can be no assurance that our Company will be able to honor its payment obligations in a timely manner or at all. In the event our Company defaults in honouring its payments obligations, our Company will be exposed to litigation proceedings and claims made by such creditors which would adversely affect the business and profitability of our Company.

30. ***This Prospectus contains information from an industry report which we have paid for and commissioned from D&B, appointed by our Company pursuant to an engagement letter dated March 22, 2023. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

This Prospectus includes industry-related information that is derived from the industry report titled "*Industry Analysis on Flexible Flow Solutions Market in India*" dated March 29, 2023 ("**D&B Report**"), prepared by *D&B*, appointed by our Company pursuant to an engagement letter dated March 22,2023. We commissioned and paid for this report for the purpose of confirming our understanding of the "*Industry Analysis on Flexible Flow Solutions Market in India*" in India only for the purpose of the Issue. The D&B Report shall be available on the website of our Company at www.aeroflexindia.com in compliance with applicable laws. Our Company, our Promoter, and our Directors are not related to *D&B*. *D&B* has advised that while it has taken reasonable care to ensure the accuracy and completeness of the *D&B* Report, it believes that the *D&B* Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive, and that the results that can be or are derived from these findings are based on certain assumptions and parameters / conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged. The commissioned report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that *D&B*'s assumptions are correct or will not change and, accordingly, our position in the market may differ, favourably or unfavourably, from that presented in this Prospectus. Further, the commissioned report is not a recommendation to invest or disinvest in our Company. Prospective Investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Prospectus, when making their investment decisions.

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

We have experienced growth of 86.06% over the period of three years. For Fiscal March 31, 2023, we had a total income of ₹ 2,694.78 million, as compared to ₹ 1,448.35 million for the Fiscal March 31, 2021. Our operations have grown over the last few Fiscals. We may not be able to sustain our rates of growth, due to a variety of reasons including a decline in the demand for our products, bad debts on account of poorer recovery from our customers, increased price competition, reduction in margins, non-availability of raw materials, lack of management availability or a general slowdown in the economy. A failure to sustain our growth may have an adverse effect on our business, results of operations, financial condition and cash flows. We are embarking on a growth strategy which involves strengthening our core capabilities across focus industries and building scale, investing in enhancing our design capabilities, expanding our geographical footprint, strengthening our supply chain ecosystem and enhancing our product diversity and complexity, and exploring adjacencies. Such growth strategy will place significant demands on our management as well as our financial, accounting and operating systems and require us to continuously evolve and improve our operational, financial and internal controls across our organization. If we are unable to increase our manufacturing capacity, we may not be able to successfully execute our growth strategy. Further, as we scale-up and diversify our products, and increase our customer base, we may not be able to execute our operations efficiently, which may result in delays, increased costs, increase in bad debts and lower quality products. We cannot assure you that our future performance or growth strategy will be in line with our past performance or growth strategy. Our failure to manage our growth effectively may have an adverse effect on our business, results of operations, financial condition, collections and cash flows.

32. ***We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business and our Company requires to renew a number of approvals, licenses, registrations and permits to develop and operate our business and operations and any failure or delay to obtain or renew them in a timely manner may adversely affect our operations and results.***

We need to apply for approvals which are required to carry out our manufacturing and other activities, from time to time, as and when required in the ordinary course of our business. Any failure to avail the approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. Furthermore, our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects. Our Company has made applications for the abovementioned approvals, licenses and registrations but currently our Company has not have received the same, Produced below is a list of licenses/approvals for which applications have been made by our Company and Subsidiary which are currently pending for approval:

a) Our Company vide application dated March 21, 2023 has applied to Directorate of Maharashtra Fire Services for the revised No Objection Certificate under Maharashtra Fire Prevention and Life Safety Measures Act, 2006.
b) Our Company *vide* application dated June 02, 2023 has applied to Directorate of Maharashtra Fire Services for the Provisional No Objection Certificate under under Maharashtra Fire Prevention and Life Safety Measures Act, 2006

Though there have been no instances in the past where an application for any license or registration of our Company has been rejected, any failure to renew the approvals that will expire, or to failure/delay to apply for and obtain the required approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects.

In the future, we will be required to renew such permits and approvals and obtain new set of permits and approvals for our operations. While we believe that we will be able to renew or obtain such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals, including those set forth above, may result in the interruption of our operations or delay or prevent our operations plans and may have a material and adverse effect on our business, financial condition and results of operations. For further information, please refer to the chapter titled "*Government and Other Statutory Approvals*" on page 270 of this Prospectus.

33. ***Our Company has in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company's financial condition and results of operations.***

Our Company has entered into various transactions with our Corporate Promoter, Executive Director and Group Company. While we trust that all such transactions are conducted on arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions were not entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation details on the transactions entered by us, please refer to "*Restated Consolidated Financial Information –Note 41- Related party disclosure*" on page 217 of this RHP.

Name of the related party	Nature of relationship	Nature of the transaction	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Asad Daud[1)]	Managing Director	Director remuneration	8.31	3.84	3.11
Mustafa Abid Kachwala[1)]	Whole-time Director and Chief Financial Officer	Director remuneration	1.06	0.96	0.87
Sat Industries Limited	Holding Company	Loan taken and repaid	40.00	60.79	81.17
Sat Industries Limited	Holding Company	Interest expenses	0.77	9.05	21.58
Sat Industries Limited	Holding Company	Financial management charges	11.18	4.20	-

Sat Industries Limited	Holding Company	Dividend paid	21.08	-	-
Italica Global FZC	Wholly owned subsidiary of Holding Company	Sales	37.40	62.83	11.00
Italica Global FZC	Wholly owned subsidiary of Holding Company	Dividend paid	1.49	-	-
Madhuri Vyas	Earlier Company Secretary	Salary	-	0.28	0.42
Kinjal Kamlesh Shah	Company Secretary	Salary	0.59	0.18	-
Deepak Kalera	Former CFO	Salary	1.60	-	-

1) Dividend paid to Asad Daud and Mustafa Abid Kachwala for ₹100/- each is not included in transactions mentioned above as the amount paid is not significant.

Outstanding balances payable to:

(₹ In Million)

Name	Nature of transaction	For Fiscal March 31, 2023	For Fiscal March 31, 2022	For Fiscal March 31, 2021
Sat Industries Limited	Borrowings	-	-	60.79
Sat Industries Limited	Interest payable	-	-	-

KMP compensation:

(₹ in million)

Particulars	For Fiscal March 31, 2023	For Fiscal March 31, 2022	For Fiscal March 31, 2021
Short term employee benefits	12.16	5.26	4.40
Short term employee benefits	-	-	-
Long term employee benefits	-	-	-
Termination benefits	-	-	-
Employee share based payment	-	-	-
Total	12.16	5.26	4.40

Note-All related party transactions are carry out at Arm's Length Price (ALP). Further, list of the related parties and all related party transactions, are disclosure under Ind AS 24 and / or as covered under section 188(2) of the Companies Act, 2013 (as amended), SEBI (LODR) Regulations and other statutory compliances .Furthermore, in respect of all/any conflicts of interest arises among the equity shareholders in relation to the related party transactions entered in the past, there are no such conflicts of interest arises among the equity shareholders in relation to related party transactions. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future. As on date of this Prospectus, our Company has conducted its related party transactions at an arm's length basis and in compliance with Companies Act, 2013 and other applicable laws.

34. ***We are unable to trace some of our historical records. Consequently, we may be subject to regulatory actions and penalties for any such non-compliance and our business, financial condition and reputation may be adversely affected.***

We have been unable to locate copies of certain of our corporate records, such as Form 2 dated March 31, 1994 pertaining to allotment of 9,000 equity shares of the Company, filed by us in physical form with the Registrar of

Companies, ("**RoC**"). While we believe that these forms were duly filed on a timely basis, we have not been able to obtain copies of these documents from the RoC or otherwise. The relevant documents are also not available at the office of the RoC Mumbai as certified by S.K. Jain & Company, Practicing Company Secretaries in their report dated May 10, 2022. Though, the details of these allotments have been included in the Minutes Book and statutory registers, Annual returns, we cannot assure you that we will not be subject to any penalties imposed by the relevant regulatory authority in this respect.

We cannot assure you that the relevant corporate records will become available in the future or that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this respect. We cannot assure you that the relevant corporate records will become available in the future or that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this respect. Further we cannot assure you that we will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in our secretarial filings and/or corporate records in the future, which may adversely affect our business, financial condition and reputation.

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

On and post the listing of equity shares, we may be subject to ASM and GSM by the Stock Exchange(s) and the Securities and Exchange Board of India. These measures have been introduced in order to enhance market integrity, and safeguard the interest of investors and to alert and advise investors to be extra cautious and carry out necessary due diligence while dealing in such securities.

The criteria for shortlisting any scrip trading on the Stock Exchange(s) under the ASM is based on an objective criteria as jointly decided by SEBI and the Stock Exchanges(s) which include market based dynamic parameters such as high low variations, client concentration, close to close price variation, market capitalization, volume variation, delivery percentage, number of unique PAN's and price to equity ratio. A scrip is typically subjected GSM measures where there is an abnormal price rise that is not commensurate with the financial heath and fundamentals of a company which inter alia includes factors like earnings, book value, fixed assets and net worth to the equity ratio etc. The price of our equity shares may also fluctuate after the offer due to several factors such as volatility in the Indian and global securities market, our profitability and performance, the performance of our competitors, change in the estimates of our performance or any other political or economic factor. The occurrence of any of the above-mentioned factors may trigger the parameters identified by SEBI and the Stock Exchange(s) for the placing securities under the GSM and ASM framework. In the event of our Equity Shares are covered under such Pre-emptive surveillance measures implemented by SEBI and the Stock Exchange(s), we may be subject to certain additional restrictions in the relation to trading of our Equity Shares such as limiting trading frequency (for example trading either allowed in a week or a month) higher margin requirements of settlement on a trade for trade basis without netting off requirement of settlement on gross basis or freezing price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.

36. ***We do not have documentary evidence for the educational qualification and experience proof of one of our Directors, included in "Our Management" in this Prospectus***

Our Whole-time Director and CFO, Mustafa Abid Kanchwala is unable to trace copies of his school certificate or college certificate a pertaining to his educational qualifications and work experience. Accordingly, we have placed reliance on declarations, undertakings and affidavits furnished by the Director to disclose details of his educational qualification in this Prospectus and we have not been able to corroborate these details in the absence of primary documentary evidence. We cannot assure you that all or any of the information relating to the educational qualifications of the Director included in "*Our Management*" on page 187 of this Prospectus are complete, true and accurate.

37. ***Our Promoter and other persons have extended guarantees for loan facilities availed by our Company. Revocation of any or all of these guarantees may adversely affect our business operations and financial condition***

Our Promoter- Sat Industries Limited have extended corporate guarantee and personal guarantees, respectively, as security for loan facilities availed by our Company. Revocation of any or all of these guarantees may adversely affect our business operations and financial condition. Guarantees have been extended in favour of Kotak Mahindra Bank Limited with respect to the loan facilities availed by our Company from them. Our Promoter vide guarantee deed dated August 01, 2018 ("**Guarantee Deed**") has provided a corporate guarantee in favour of Kotak Mahindra Bank Limited for credit facilities sanctioned with an overall limit of ₹550.00 million. The Guarantee Deed shall remain in force until the final settlement date i.e., until all dues are discharged by the Company. Further, the Guarantee Deed provides for disclosure of default, disclosure of information, interpretation and disclosure of default clauses. In the event any of these guarantees are revoked or withdrawn, our lender may require us to furnish alternate guarantees or an additional security or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees or provide an alternate collateral security in a timely manner or at all. If our lender enforce these restrictive covenants or exercise their options under the relevant debt financing agreements, our operations and use of assets may be significantly hampered and lender may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations.

38. ***The Offer Price, market capitalization to total income multiple, market capitalization to earnings multiple, price to earnings ratio and enterprise value to EBITDA ratio based on the Offer Price of our Company, may not be indicative of the market price of the Equity Shares on listing.***

Our EBITDA for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 was ₹ 540.33 million, ₹ 466.92 million, ₹ 223.35 million, respectively aggregating to 20.05%, 19.39% and 15.43% of revenue from operations and profit after tax for Fiscal 2023, Fiscal 2022 and Fiscal 2021 was ₹ 301.52 million, ₹ 275.06 million and ₹ 60.11 million respectively aggregating to 11.19%, 11.42% and 4.15% of revenue from operations. Our market capitalization (based on the upper end of the Price Band) to total income (Fiscal 2023) multiple is 5.18 times; our market capitalization (based on the upper end of the Price Band) to earnings (Fiscal 2023) multiple is 46.32 times; our price to earnings ratio (based on Fiscal 2023 profit for the year) is 40.91 at the upper end of the Price Band; The Offer Price of rs. 108/- of the Equity Shares of face value ₹2/- each was 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 the section titled "*Basis for Offer Price*" on page 114, and the Offer Price, multiples and ratios may not be indicative of the market price of the Equity Shares on listing or thereafter. Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The 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 and international markets, regulatory amendments, strategic alliances, COVID-19 related or similar situations, 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.

39. ***Any increase in interest rates would have an adverse effect on our results of operations and will expose our Company to interest rate risks.***

We are dependent upon the availability of equity, cash balances and debt financing to fund our operations and growth. Our secured debt has been availed at floating rates of interest. Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. Furthermore, our indebtedness means that a material portion of our expected cash flow may be required to be dedicated to the payment of interest on our indebtedness, thereby reducing the funds available to us for use in our general business operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt and non-fund based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations. For further details, please refer chapter titled "*Financial Indebtedness*" beginning on page 226 of this RHP.

40. ***Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others could have a material adverse effect on us.***

As on March 31, 2023, we have 2 registered trademarks, and 1 trademark is objected. Although we have filed our submissions with the Trade Marks Registry stating that the trademark was coined by the Company and there should be no likelihood of confusion among public, we await further notice/ action. Such legal proceedings could be time consuming and costly and could also harm our reputation. Our Company is also the registered owner of 'Artistic Work' having the title 'Aeroflex' carrying registration number A-146780/2023. The measures we take to protect our intellectual property initiating legal proceedings, may not be adequate to prevent such objections raised on our trademarks. Further, we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that the registration is granted. For instance, we have filed a notice of opposition against application no. 5150129 under class 17 for the impugned mark "AEROFLEX HYDRAULIC" made by another party as it shares uncanny deceptive, phonetic, and conceptual similarity with our trademark AEROFLEX. We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name, packaging material and to create counterfeit products. There may be other companies or vendors which operate in the unorganized segment using our trade name or brand names. Any such activities could harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance and the market price of the Equity Shares. The measures we take to protect our intellectual property include relying on Indian laws and initiating legal proceedings, which may not be adequate to prevent unauthorized use of our intellectual property by third parties.

Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our reputation, business, financial condition, cash flows and results of operations.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our brand names. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and requires to enter into potentially expensive royalty or licensing agreements or to cease usage of certain brand names. Furthermore, 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 reputation, business, financial condition, cash flows and results of operations.

41. ***The outbreak and after-effects of COVID-19, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition, cash flows and results of operations.***

The outbreak, of any severe communicable disease, as seen in the recent outbreak and aftermath of COVID-19, could materially and adversely affect business sentiment and environment across industries. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and lockdowns. These measures have impacted and may further impact our workforce and operations and also the operations of our clients. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

During the lockdown period in response to the COVID-19 pandemic, our Company had certain interim measures in place to ensure business and operational continuity. Our employees worked remotely. However, certain of our operations are dependent on various information technology systems and applications which may not be adequately supported by a robust business continuity plan, which could impact our business in the event of a disaster of any nature. Although we continue to devote resources and management focus, there can be no assurance that these programs will operate effectively.

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

Effective internal controls are necessary for us to prepare reliable financial reports and effectively prevent and detect any frauds or misuse of funds. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may decline over time. There can be no assurance that additional deficiencies or lacks in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies of lacks in our internal controls. If internal control weaknesses are identified in a delayed manner, our actions may not be sufficient to correct such internal control weakness. Such instances may also adversely affect our reputation, thereby adversely impacting our business, results of operations and financial condition.

43. ***Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows and requirement to fund operations and expansion of the business. There can be no assurance that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors. For further details, please refer to chapter titled "*Dividend Policy*" on 217 of this Prospectus.

44. ***Employee fraud or misconduct could harm us by impairing our ability to attract and retain clients and subject us to significant legal liability and reputational harm.***

Our Company's business is exposed to the risk of employee misappropriation, fraud, misconduct and negligence. Our employees could make improper use or disclose confidential and proprietary information of sensitive nature, which could result in regulatory sanctions and serious reputational or financial harm. While we take significant efforts to monitor, detect and prevent fraud or misappropriation by our employees, through various internal control measures, we may be unable to adequately prevent or deter such activities in all cases. Our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect. While we have not been able to identify such issues in the past, there could be instances of fraud and misconduct by our employees, which may go unnoticed for certain periods of time before corrective action is taken. In addition, we may be subject to regulatory or other proceedings, penalties or other actions in connection with any such unauthorized transaction, fraud or misappropriation by our employees, which could adversely affect our goodwill, business prospects and future financial performance. We may also be required to make good any monetary loss to the affected party. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through such fraud or other misconduct.

45. ***Our Company will not receive any proceeds from the offer for sale by the Promoter Selling Shareholder.***

The Offer consists of the Fresh Issue by our Company and an Offer for Sale by the Promoter Selling Shareholder. The entire proceeds of the Offer for Sale will be transferred to the Promoter Selling Shareholder and will not result in any creation of value for us or in respect of your investment in our Company.

46. ***Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.***

Our restated summary statements of assets and liabilities, restated summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscals March 31, 2023, March 31, 2022 and March 31, 2021 have been prepared in accordance with the Ind AS.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Restated Financial Information included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

47. ***Our Company's future funding requirements, in the form of further issue of capital or other securities and/or loans taken by us, may turn out to be prejudicial to the interest of the shareholders depending upon the terms and conditions on which they are raised.***

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

External Risk Factors

48. ***Natural disasters, epidemics, pandemics, acts of war, terrorist attacks and other events could materially and adversely affect our business and profitability.***

Natural disasters (such as earthquakes, fire, typhoons, cyclones, hurricanes and floods), pandemics, epidemics, strikes, civil unrest, terrorist attacks and other events, which are beyond our control, may lead to global or regional economic instability, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations. Any of these occurrences could cause severe disruptions to our daily operations and may warrant a temporary closure of our Manufacturing Unit. Such closures may disrupt our business operations and adversely affect our results of operations. Our operation could also be disrupted if our clients are affected by such natural disasters or epidemics. An outbreak or epidemic, such as SARS, the H1N1 and H5N1 viruses or COVID-19 could cause general consumption or the demand for various products to decline, which could result in reduced demand for our products. Such an outbreak or epidemic may significantly interrupt our business operations as health or governmental authorities may impose quarantine and inspection measures on us or our clients.

Moreover, certain regions in India have witnessed terrorist attacks and civil disturbances and it is possible that future terrorist attacks or civil unrest, as well as other adverse social, economic and political events in India could have a negative effect on us. Transportation facilities, including vehicles, can be targets of terrorist attacks, which could lead to, among other things, increased insurance and security costs. Regional and global political or military tensions or conflicts, strained or altered foreign relations, protectionism and acts of war or the potential for war could also cause damage and disruption to our business, which could materially and adversely affect our business, financial condition, cash flows and results of operations. Such incidents could create the perception that investments in Indian companies involve a higher degree of risk and such perception could adversely affect our business and the price of the Equity Shares.

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

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have in the past experienced substantial dislocations, liquidity disruptions and market corrections.

50. ***Changing laws, rules and regulations and legal uncertainties in India and other countries may adversely affect our business and financial performance.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("GST") regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

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

51. ***Our business is affected by economic, political and other prevailing conditions beyond our control.***

We are incorporated in India and we conduct our business affairs and our operations in India as well as internationally. Our Equity Shares are proposed to be listed on BSE Limited and NSE Limited. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include: a) any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets; b) any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions; c) prevailing income conditions among Indian customers and Indian corporations; d) epidemic or any other public health issue in India or in countries in the region or globally, including in India's various neighbouring countries and e) hostile or war like situations with the neighbouring countries etc.

52. ***Investors outside India subscribing to this Offer may not be able to enforce any judgment of a foreign court against us, except by way of a suit in India.***

Our Company is incorporated under the laws of India. As a result, it may be difficult for investors to effect service of process upon us or such persons in India or to enforce judgments obtained against our Company or such parties outside India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, including the United Kingdom, Singapore, UAE, and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908, as amended ("Civil Procedure Code"). The United States has not been notified as a reciprocating territory.

In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Such amount may also be subject to income tax in accordance with applicable law. Consequently, it may not be possible to enforce in an Indian court any judgment obtained in a foreign court, or effect service of process outside of India, against Indian companies, entities, their directors and executive officers and any other parties resident in India. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner.

53. ***Any adverse change or downgrading in ratings of India may adversely affect our business, results of operations and cash flows.***

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

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

We are not a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators that is associated by the virtue of being a listed company. As a listed company, we will incur considerable legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing compliances and reporting requirements to the Stock Exchanges on which equity shares of our Company will be listed, which require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

55. ***Our clients might engage in dealings or transactions in or with countries or persons that are subject to U.S. and other sanctions.***

Applicable laws and rules in U.S. generally prohibit 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 organisations 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. 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.

56. ***Under Indian legal regime, foreign investors are subject to investment restrictions that limit our Company's ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares. Accordingly, our ability to raise foreign capital may be constrained.***

As a company incorporated in India, we are subject to exchange controls that govern the borrowings in foreign currencies. Further, under applicable foreign exchange regulations in India, transfer 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 under applicable laws. If share transfer is not in compliance with such requirements and does not fall under any of the permissible exceptions, then prior approval of the relevant regulatory authority is required. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness.

57. ***Few of our Directors hold Equity Shares in our Company and are therefore are interested in our Company's performance in addition to their remuneration and reimbursement of expenses.***

Few of our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or the shareholding of their relatives in our Company. There can be no assurance that our directors will exercise their rights as Shareholders to the benefit and best interest of our Company. For further details, see "*Related Party Transactions*" under section titled "Note 41 Related Party Transaction" on page 217.

Risks related to the Offer.

58. ***Equity Shares of our Company have never been publicly traded, and after the Offer, the Equity Shares may be subject to price and volume fluctuations, and an active trading market for the Equity Shares may or may not develop. Further, the Offer Price may not be indicative of the market price of the Equity Shares after the Offer.***

Prior to this Offer of our Company, no public market existed for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation of Equity Shares does not guarantee that a market for the same will develop, or if developed, the liquidity of such market for the Equity Shares cannot be guaranteed. The Offer Price of Rs. 108/- of the Equity Shares has been determined through a book building process in compliance with Schedule XIII of the SEBI ICDR and the same may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The Offer Price is based on numerous factors, as described in the section "*Basis for Offer Price*" beginning on page 114. This price may not necessarily be indicative of the market price of our Equity Shares after the Offer is completed. 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.

Our Equity Shares are expected to trade on BSE Limited and NSE Limited after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops, that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

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

Under the present Indian tax laws and regulations, unless specifically exempted, capital gains that arise from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian Stock Exchanges on which equity shares are sold. Any gain realised on the sale of listed equity shares held for more than 12 months, which are sold using any other platform other than on a recognised Stock Exchanges and on which no STT has been paid, are subject to long-term capital gains tax 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 Exchanges on which the Equity Shares are sold. Further, any capital gains realised on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

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

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

61. ***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 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.

62. ***Investors will not be able to sell immediately on an Indian Stock Exchanges any of the Equity Shares they purchase in the Offer.***

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited 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 depository participant could take approximately five 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 six 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.

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

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in does not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

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

SECTION – III INTRODUCTION

THE OFFER

The following table sets forth the details of the Offer.

Particulars	**Details of Equity Shares of face value ₹2/- each**
Offer of Equity Shares[1)2)]	32,500,000* Equity Shares of face value of ₹ 02/- each fully paid-up of our Company for cash at a price of ₹108/- per Equity Share aggregating to ₹3,510.00 million.
of which:	
Fresh Issue	15,000,000* Equity Shares of face value ₹2/- each aggregating to ₹1,620.00 million
Offer for Sale[3)4)]	17,500,000[4)] Equity Shares of face value ₹2/- each aggregating to ₹1,890.00 million by Promoter Selling Shareholder.
Holding Company Shareholder Reservation Portion^	500,000 Equity Shares of face value ₹2/- each, aggregating to ₹54.00 million.
Net Offer	32,000,000* Equity Shares of face value ₹2/- each aggregating to ₹3,456.00 million.
The Net Offer consists of:	
A. QIB Portion [5)]	16,000,000 Equity Shares of face value ₹2/- each aggregating ₹1,728.00 million.
of which	
Anchor Investor Portion[5)]	95,99,980* Equity Shares of face value ₹2/- each.
Net QIB Portion i.e. balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed).	64,00,020 * Equity Shares of face value ₹2/- each.
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion (excluding the Anchor Investor Portion).	3,20,001* Equity Shares of face value ₹2/- each
Balance for all QIBs including Mutual Funds	60,80,019* Equity Shares of face value ₹2/- each
B. Non-Institutional Portion[6)]	4,800,000* Equity Shares of face value ₹2/- each aggregating ₹518.40 million.
of which	
One-third available for allocation to Bidders with an application size of size of more than ₹ 200,000 and up to ₹ 1,000,000	1,600,000* Equity Shares of face value ₹2/- each
Two-thirds available for allocation to Bidders with an application size of more than ₹ 1,000,000	3,200,000* Equity Shares of face value ₹2/- each
C. Retail Portion[6)]	Not less than 11,200,000* Equity Shares of face value ₹2/- each aggregating ₹1209.60 million.
Pre and Post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	114,320,370 Equity Shares of face value ₹2/- each
Equity Shares outstanding after the Offer	129,320,370* Equity Shares of face value ₹2/- each
Use of Net Proceeds of this Offer	Please refer to the chapter titled "*Objects of the Offer*" on page 100 of this Prospectus. Our Company will not receive any proceeds from the Offer for Sale.

**Subject to finalization of Basis of Allotment. Out of total Anchor Investor Allocation Portion of 9,750,000 Equity Shares, our Company has allocated 9,599,980 Equity Shares to Anchor Investors.*
1) This Offer was made in terms of Regulation 6(1) of Chapter II of the SEBI ICDR Regulations. For further details, please refer to chapter titled "The Offer" on page 69 of this Prospectus.

2) The present Offer has been authorised pursuant to a resolution passed by our Board at its meeting held on February 13, 2023 and by our Shareholders by way of a special resolution passed pursuant to Section 62(1) (c) of the Companies Act, 2013 at the EGM held on February 15, 2023.

3) The Equity Shares offered by the Promoter Selling Shareholder are eligible for being offered for sale as part of the Offer in terms of the SEBI ICDR Regulations and have been held by the Promoter Selling Shareholder for a period of at least one (01) year immediately preceding the date of this Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations. Our IPO Committee has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholder pursuant to a resolution dated February 13, 2023, read with the resolutions passed by our Board on February 13, 2023. For further details, please refer to chapter titled "Other Regulatory and Statutory Disclosures" on page 279.

4) The Offer for Sale was authorised by the Promoter Selling Shareholder as follows:

Offered Shares	***Date of authorization letter/ Shareholder Resolution***	***Date of consent letter***
17,500,000	*September 16, 2022*	*July 19, 2023*

5) Our Company (acting through its IPO Committee) and the Promoter Selling Shareholder in consultation with the BRLM, did allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations, at the Anchor Investor Offer Price. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation was done to other Anchor Investors which price was determined by the Company (acting through its IPO Committee) in consultation with the BRLM. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added back to the Net QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) was available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. For further details, please refer to the chapters titled "Terms of the Offer", "Offer Structure" and "Offer Procedure" beginning on pages 291, 299 and 304.

5) Under-subscription if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill- over from any other category or combination of categories, as applicable, at the discretion of our Company (acting through its IPO Committee) and the Promoter Selling Shareholder in consultation with the BRLM and the Designated Stock Exchanges, subject to the applicable law. In the event of an under-subscription in the Offer, (i) the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares through the Offer for Sale to meet the minimum subscription of 90% of the Fresh Issue. Additionally, even if the minimum subscription to the Fresh Issue is reached, the Equity Shares in the remaining portion of the Fresh Issue will be issued prior to the Equity Shares being offered as part of the Offer for Sale.

6) Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Investors and Retail Individual Bidders, were made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder was not less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, was allocated on a proportionate basis. The Equity Shares available for Allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.2 million and up to ₹ 1.0 million; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.0 million, provided that the unsubscribed portion in either of the sub-categories *specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allocation to each Non Institutional Investor was be less than ₹ 200,000, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors was on a discretionary basis. For further details, see "Offer Procedure" on page 304.*

^ *The unsubscribed portion, if any, in the Holding Company Shareholder Reservation Portion, shall be added to the Net Offer. Bids by Holding Company Eligible Shareholder Reservation s in the Holding Company Shareholder Reservation Portion, the Net Offer portion shall not be treated as multiple Bids subject to applicable limits. To clarify, Holding Company Eligible Shareholder Reservation Bidding in the Holding Company Shareholder Reservation Portion above ₹ 200,000 can Bid in the Net Offer for up to ₹ 200,000 otherwise such Bids shall be treated as multiple Bids. If an Holding Company Eligible Shareholder Reservation is Bidding in the Holding Company Shareholder Reservation Portion up to ₹ 200,000, application by such Holding Company Eligible Shareholder Reservation in the Retail Portion or Non-Institutional Portion shall not be treated as multiple Bids. Therefore, Holding Company Eligible Shareholder Reservation bidding in the Holding Company Shareholder Reservation Portion (subject to the Bid Amount being up to ₹ 200,000) can also Bid under the Net Offer and such Bids shall not be treated as multiple Bids. For further details, see "Offer Structure" on page 299.*

Allotment was made on a proportionate basis as it was oversubscribed, subject to valid bids received at or above the Offer Price, in consultation with the Designated Stock Exchanges and in accordance with SEBI ICDR Regulations.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, were be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder was not less than the minimum Bid Lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, were Allocated on a proportionate basis. For further details, please refer to chapter titled "*Offer Procedure*" beginning on page 304 of this Prospectus.

For details of the terms of the Offer, see "*Terms of the Offer*" beginning on page 291 of this Prospectus.

SUMMARY OF FINANCIAL INFORMATION

Restated Consolidated Balance Sheet

(₹ in million)

	Particulars	Note	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
	ASSETS				
(1)	**Non-current assets**				
	Property, Plant and Equipment and Intangible Assets				
	(a) Property, Plant and Equipment	5	555.43	458.19	430.20
	(b) Capital work -in- Progress		6.43	63.50	-
	(c) Other Intangible Assets		7.74	2.93	2.42
	(d) Intangible assets under development		-	2.61	2.61
	(e) Financial Assets				
	(i) Investments and Loans				
	(ii) Trade receivables		-	-	-
	(iii) Loans				
	(ii) Others	6	-	0.07	2.90
	(f) Deferred Tax Assets (Net)	7	-	-	9.71
	(g) Other non-current Assets	8	25.78	17.44	14.21
	Total non-current Assets		**595.38**	**544.74**	**462.06**
(2)	**Current assets**				
	(a) Inventories	9	560.07	358.22	343.20
	(b) Financial Assets				
	(i) Trade receivables	10	669.70	526.12	337.80
	(ii) Cash and cash equivalents	11	61.32	82.05	34.77
	(iii) Bank balances other than (ii) above	12	1.21	1.23	1.15
	(iv) Others	13	6.13	4.57	4.27
	(c) Current Tax Assets (Net)	14	-	-	0.43
	(d) Other current assets	15	245.96	317.44	432.75
	Total Current Assets		**1544.39**	**1,289.64**	**1,154.37**
	Total Assets		**2139.77**	**1,834.38**	**1,616.43**
	EQUITY				
	(a) Equity Share Capital	16	228.64	228.64	228.64
	(b) Other Equity	17	912.29	633.59	358.53
			1140.93	**862.23**	**587.17**
	LIABILITIES				
(1)	Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	18	196.86	209.86	352.80
	(ii) Other financial liabilities				
	(b) Provisions		-	-	-
	(c) Deferred tax liabilities (Net)	7	2.80	0.58	-
	(d) Other non-current liabilities	19	9.86	9.31	9.47
	Total Non-current Liabilities		**209.52**	**219.76**	**362.27**
(2)	**Current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	20	253.20	181.41	177.88
	(ii) Trade payables :	21			
	(A)Total outstanding dues of micro enterprises and small enterprises		88.31	0.87	5.55
	(B)Total outstanding dues of creditors other than micro enterprises and small enterprises		278.00	340.98	397.81
	(iii) Other financial liabilities(other than those specified in item(c)				
	(b) Other current liabilities	22	109.11	153.71	85.74
	(c) Current Tax Liabilities (Net)	23	60.72	75.42	-
	Total Current Liabilities		**789.32**	**752.39**	**666.99**
	Total Equity and Liabilities		**2139.77**	**1,834.38**	**1,616.43**

Restated Consolidated Statement of Profit and Loss

(in ₹ million)

	Particulars	Note No.	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2021
	INCOME :				
I	Income from operations	24	2694.61	2,408.00	1,447.74
II	Other income	25	0.17	1.92	0.61
III	**Total Income (I+II)**		**2694.78**	**2,409.92**	**1,448.35**
IV.	**Expenses :**				
	Cost of Materials consumed	26	1878.47	1,563.30	944.82
	Changes in inventories of finished goods	27	(177.84)	(2.68)	(9.24)
	Employee benefits expense	28	231.51	175.20	131.40
	Finance costs	29	45.50	62.51	89.40
	Depreciation and amortization expense	30	52.19	41.84	37.78
	Other expenses	31	222.13	205.26	157.41
	Total expenses		**2251.98**	**2,045.43**	**1,351.56**
V.	**Profit before exceptional items and tax(III-IV)**		**442.80**	**364.48**	**96.78**
VI.	Exceptional items	32	(30.72)	4.14	(16.30)
VII	**Profit/(loss) before tax (V-VI)**		412.08	368.62	80.49
VIII	Tax expense :				
	(1) Current tax		101.85	83.30	-
	(2) Short/ (Excess) Provision for Earlier Years		6.49	(0.03)	
	(2) Deferred tax		2.22	10.29	20.38
	Total Tax Expense	33	110.56	93.57	20.38
IX	**Profit(loss)for the period from continuing operation (VII-VIII)**		**301.52**	**275.06**	**60.11**
X	Profit/(Loss) from discontinued operations.		-	-	-
XI	Tax expense of discontinued operations		-	-	-
XII	Profit/(loss) from discontinued operation (X-XI)		-	-	-
XIII	**Profit(loss) for the period (IX+XII)**		**301.52**	**275.06**	**60.11**
XIV	Other Comprehensive Income				
	A(i) Item that will not be reclassified to profit or loss				
	(ii) Income tax relating to item that will not be reclassified to profit or loss				
	B(i) Item that will be reclassified to profit or loss				
	(a) Exchange differences on translation of financial statements of foreign operations		0.04	0.01	0.03
XV	(ii) Income tax relating to item that will be reclassified to profit or loss				
XVI	**Total Comprehensive Income for the period (XIII+XIV) (Comprising profit (loss) and other Comprehensive Income for the period)**		**301.57**	**275.06**	**60.14**
XVII	Earnings per equity share:(for continuing Operation):	34			
	(1) Basic		2.64	2.41	0.53
	(2) Diluted		2.64	2.41	0.53
XVII	Earnings per equity share:(for discontinued Operation):				
	(1) Basic		-	-	-
	(2) Diluted		-	-	-
XVIII	Earnings per equity share:(for discontinued & continuing operations)	34			
	(1) Basic		2.64	2.41	0.53
	(2) Diluted		2.64	2.41	0.53

Restated Consolidated Statement of Cash Flows

(in ₹ million)

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2021
A	**Cash Flow from Operating Activities**			
	Net Profit before tax	412.08	368.62	80.49
	Adjustments for:			
	Other Comprehensive income/(loss)	0.04	0.01	0.03
	Depreciation	52.19	41.84	37.78
	less: Provision for taxation	108.34	83.27	-
	Operating Profit before working capital changes	**355.98**	**327.20**	**118.30**
	Adjustment for Changes in Working Capital:			
	(Increase)/Decrease in Non Current Trade Receivables	-	-	-
	(Increase)/Decrease in Non Current Other Financial Assets	0.07	2.83	2.87
	(Increase)/Decrease in Other Non Current Assets	(8.34)	(3.22)	(3.18)
	(Increase)/Decrease in Change in Inventories	(201.85)	(15.02)	(25.67)
	(Increase)/Decrease in Current Trade Receivables	(143.58)	(188.32)	(42.03)
	(Increase)/Decrease in Current Other Financial Assets	(1.57)	(0.29)	(0.42)
	(Increase)/Decrease in Current Tax Assets	-	0.43	(0.19)
	(Increase)/Decrease in Other Current Assets	71.48	115.31	(17.04)
	Increase/(Decrease) in Non Current Trade Payables			
	Increase/(Decrease) in Current Trade Payables	24.46	(61.52)	65.85
	Increase/(Decrease) in Other Current Liabilities	(44.61)	67.97	22.06
	Increase/(Decrease) in Other Non Current Liabilities	0.54	(0.16)	0.34
	Increase/(Decrease) in Current Tax Liabilities	(14.70)	75.42	-
	Cash Generated from Operations	37.88	320.63	120.88
	Income Taxes Refund / (Paid)		-	-
	Net Cash Inflow /(Out Flow) from Operation (A)	**37.88**	**320.63**	**120.88**
B	**Cash Flow from Investing Activities:**			
	Deduction/(Addition) to Fixed Assets	(94.56)	(133.85)	(29.09)
	Net Cash Inflow/(Outflow) from investing Activities (B)	**(94.56)**	**(133.85)**	**(29.09)**
C	**Cash flow from Financing Activities**			
	Proceeds from Long term borrowings	(13.00)	(142.94)	(22.98)
	Proceeds from Short term borrowings & Bank Settlement	71.79	3.52	(80.89)
	Less: Dividend Paid	(22.86)	-	-
	Net Cash Inflow /(Out Flow) from Financing Activities (C)	**35.92**	**(139.41)**	**(103.87)**
	Net Increase/Decrease in cash & Cash equivalents (A+B+C)	**(20.76)**	**47.37**	**(12.08)**
	CASH AND CASH EQUIVALENTS			
	As at the beginning of the year (Refer Note 11& 12)	**83.29**	**35.92**	**48.00**
	As at the end of the year (Refer Note 11 &12)	**62.53**	**83.29**	**35.92**
	Net Increase/Decrease in cash & Cash equivalents	**(20.76)**	**47.37**	**(12.08)**

GENERAL INFORMATION

Registered Office

Plot No. 41, 42/13, 42/14 & 42/18,
near Taloja MIDC, Village Chal,
Behind IGPL, Panvel,
Navi Mumbai - 410 208, Maharashtra, India.

Company Registration Number and Corporate Identity Number

Registration Number: 074576
Corporate Identity Number: U24110MH1993PLC074576

For details of our incorporation and changes in registered office of our Company, please refer to chapter titles "*History and Certain Corporate Matters*" on page 181.

Address of Registrar of Companies

Our Company is registered with the Registrar of Companies, Mumbai, Maharashtra which is situated at the following address:

Registrar of Companies, Mumbai at Maharashtra
Everest, 100, Marine Road,
Mumbai – 400002, Maharashtra, India.
Email id: roc.mumbai@mca.gov.in
Website: www.mca.gov.in

Board of Directors

The details of our Board of Directors as on date of this Prospectus are set forth below:

Name and Designation	DIN	Address
Asad Daud *Designation: Chairman and Managing Director*	02491539	303, Aashiana, 3rd Gunpowder Lane, near Nana Nani Park, Mazgaon, Mumbai – 400 010, Maharashtra, India.
Mustafa Abid Kachwala *Designation: Whole-time Director and Chief Financial Officer*	03124453	48/52, Room No – 6, 1st Floor, Khara Tank Road, Opposite Saifee Sweet Mart, Bhendi Bazar, Mandvi, Mumbai – 400 003, Maharashtra, India.
Harikant Ganeshlal Turgalia *Designation: Non-Executive Director*	00049544	Flat No.803, 8th Floor, I Wing, Bhoomi Park Phase 5 CHS Ltd, Jankalyan Nagar, Malad west, Near Billa Bong School, Kharodi, Mumbai – 400095, Maharashtra, India.
Shilpa Bhatia *Designation: Independent Director*	08695595	Flat no. 1103, Godrej Serenity, Deonar Village road, opposite Dattaguru Society, Deonar Mumbai – 400 088, Maharashtra, India.
Ramesh Chandra Soni *Designation: Independent Director*	00049497	29, Chhoti Maheshwari Street, Dhan Mandi, Udaipur – 313 001, Rajasthan, India.
Partha Sarathi Sarkar *Designation: Independent Director*	00047272	J-1812, Chittaranjan Park, New Delhi, Delhi – 110 019, India.
Arpit Khandelwal *Designation: Independent Director.*	09684341	43, Durga Vihar Colony, Durgapura, Jaipur – 302 018, Rajasthan, India.

For further details of our Board of Directors please refer to chapter titled "*Our Management*" on page 187 of this Prospectus.

Company Secretary and Compliance Officer
Kinjal Kamlesh Shah
Plot No. 41, 42/13, 42/14 & 42/18, near Taloja MIDC,

Village Chal, Behind IGPL, Panvel,
Navi Mumbai - 410 208, Maharashtra, India.
Telephone: +91 22 61467100/ 22 22850888
Email ID: corporate@aeroflexindia.com

Book Running Lead Manager to the Offer
Pantomath Capital Advisors Private Limited
Reg. office: Pantomath Nucleus House, Saki Vihar Road, Andheri East,
Mumbai – 400072, Maharashtra, India.
Telephone: +91-22 6194 6700
Email: ipo@pantomathgroup.com
Investor Grievance Id: ipo@pantomathgroup.com
Website: www.pantomathgroup.com
Contact Person: Bharti Ranga
SEBI Registration No: INM000012110

Statement of inter-se allocation of responsibilities of the BRLM

Our Company has complied with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. In this regard, our Company along with the Promoter Selling Shareholder have appointed the BRLM to manage this Offer and procure this Offer.

Pantomath Capital Advisors Private Limited is the sole Book Running Lead Manager to the Offer and all the responsibilities relating to co-ordination and other activities in relation to the Offer have been performed by them and hence a statement of inter-se allocation of responsibilities is not required.

Legal Counsel to the Offer
M/s Crawford Bayley & Co.
4th Floor, State Bank Buildings, N.G.N. Vaidya Marg,
Fort Mumbai 400 023, Maharashtra, India.
Telephone: +91 22 2266 3353
Email: sanjay.asher@crawfordbayley.com
Contact Person: Sanjay K. Asher

Registrar to the Offer
Link Intime India Private Limited
C-101, 247 Park, 1st Floor, L.B.S. Marg, Vikhroli West, Mumbai - 400 083,
Maharashtra, India.
Telephone: +91 8108114949
Email/ Investor grievance email: : aeroflexindustries.ipo@linkintime.co.in
Website: www.linkintime.com
Contact person: Shanti Gopalkrishnan
SEBI Registration No: INR000004058

Statutory Auditor to our Company
Shweta Jain & Co. Chartered Accountants
G-007, Om Sai Enclave, Near Gracious School,
Poonam Sagar, Mira Road (E),
Thane – 401 107
Telephone: +91-9920737198/+919029055198
Email: *sjandcom@hotmail.com/*sjc@cashweta.com
ICAI Firm Registration Number: 127673W
Peer Review Number: 011699

Changes in Auditors

Except as set out below, there have been no changes in the statutory auditors of our Company during the three (03) years immediately preceding the date of this Prospectus:

Name of the Auditor	Address and Email	Appointment/cessation date	Reason
Shweta Jain & Co., Chartered Accountants *Firm registration number: 127673W*	G-007, Om Sai Enclave, near Gracious School, Poonam Sagar, Mira Road (East), Thane – 401107, Maharashtra, India. *Email: sjandcom@hotmail.com/*sjc@cashweta.com	September 30, 2021	Appointment as joint statutory auditors for period commencing from April 01, 2021 till March 31, 2022. Further appointed as statutory auditor till March 31, 2026
S S N & Co., Chartered Accountants *Firm registration number: 024352N*	1 A, Ramchandra Niwas, A Wing, Ground Floor, Plot no. 21-22, Section – 12A, Koparkhairane, Navi Mumbai – 400709, Maharashtra, India. *Email:*casusilgupta@gmail.com	May 02, 2022	Cessation due to pre-occupancy in other assignments.

Bankers to our Company
Kotak Mahindra Limited
Kotak Infiniti, 6th Floor, Building No. 21,
Infinity Park, Off Western Express Highway,
General AK Vaidya Marg, Malad (East),
Mumbai – 400 097, Maharashtra, India
Tel: 022-66056603
Email: cmsipo@kotak.com
Contact Person: Mr. Siddhesh Shirodkar

Escrow Collection Bank(s)

Kotak Mahindra Limited
Kotak Infiniti, 6th Floor, Building No. 21,
Infinity Park, Off Western Express Highway,
General AK Vaidya Marg, Malad (East),
Mumbai – 400 097, Maharashtra, India
Tel: 022-66056603
Email: cmsipo@kotak.com
Contact Person: Mr. Siddhesh Shirodkar

Refund Bank(s)

Kotak Mahindra Limited
Kotak Infiniti, 6th Floor, Building No. 21,
Infinity Park, Off Western Express Highway,
General AK Vaidya Marg, Malad (East),
Mumbai – 400 097, Maharashtra, India
Tel: 022-66056603
Email: cmsipo@kotak.com
Contact Person: Mr. Siddhesh Shirodkar

Public Offer Account Bank(s)

Axis Bank Limited
1st Floor, Broadway Premises Co-op Society,

Babasaheb Ambedkar Road, Dadar (East),
Mumbai- 400075, Maharashtra, India.
Telephone: +91 8369209690
Email: vishal.lade@axisbank.com
Contact Person: Vishal Lade

Sponsor Bank

Kotak Mahindra Limited
Kotak Infiniti, 6th Floor, Building No. 21,
Infinity Park, Off Western Express Highway,
General AK Vaidya Marg, Malad (East),
Mumbai – 400 097, Maharashtra, India
Tel: 022-66056603
Email: cmsipo@kotak.com
Contact Person: Mr. Siddhesh Shirodkar

Axis Bank Limited
1st Floor, Broadway Premises Co-op Society,
Babasaheb Ambedkar Road, Dadar (East),
Mumbai- 400075, Maharashtra, India.
Telephone: +91 8369209690
Email: vishal.lade@axisbank.com
Contact Person: Vishal Lade

Syndicate Members

Pantomath Capital Advisors Private Limited
Reg. office: Pantomath Nucleus House, Saki Vihar Road, Andheri East,
Mumbai – 400 072, Maharashtra, India.
Telephone: +91-22 6194 6700
Email: ipo@pantomathgroup.com/ **Investor Grievance Id:** ipo@pantomathgroup.com
Website: www.pantomathgroup.com
Contact Person: Bharti Ranga
SEBI Registration No: INM000012110

Pentagon Stock Brokers Private Limited
(formerly known as Pantomath Stock Brokers Private Limited)
Pantomath Nucleus House, Saki Vihar Road,
Andheri East, Mumbai – 400072, Maharashtra, India
Tel.: +91 22 42577000
Email: vijay.singh@pentagonbroking.com
Website: https://www.pentagonbroking.com/
Contact person: Vijay Singh
SEBI Registration No: INZ000068338

Monitoring Agency

ICRA Limited
5th floor, Symphony 'A', 6th floor, Range Hills Road,
Pune- 411 007, Maharashtra, India.
Telephone: +91 7875433355
Email: rahul.patni@icraindia.com
Contact Person: Rahul Patni

Share Escrow Agent

Link Intime India Private Limited
C-101, 247 Park, 1st Floor, L.B.S. Marg, Vikhroli West,
Mumbai, 400 083, Maharashtra, India.
Telephone: +91 8108114949
Email/ Investor grievance email: aeroflexindustries.ipo@linkintime.co.in
Website: www.linkintime.com
Contact person: Shanti Gopalkrishnan
SEBI Registration No: INR000004058

Filing of this Prospectus

A copy of the Draft Red Herring Prospectus was filed electronically on the SEBI Intermediary Portal at https://siportal.sebi.gov.in/intermediary/index.html, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and emailed at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "*Easing of Operational Procedure - Division of Issues and Listing – CFD*."

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 was filed with the RoC and a copy of this Prospectus to be filed under Section 26 of the Companies Act, 2013 has been filed with the RoC through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do

It is also filed with the SEBI at the following address:

Securities and Exchange Board of India
SEBI Head Office,
SEBI Bhavan Plot No. C4-A,
"G" Block Bandra Kurla Complex
Bandra (East) Mumbai 400 051
Maharashtra, India

Investor Grievances

Investors 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, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLM.

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(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, Bidder's 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.

Designated Intermediaries

Self-Certified Syndicate Banks

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

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022,, Retail Individual Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

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

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.

Experts

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

Our Company has received written consent dated July 12, 2023 from M/s Shweta Jain & Co., Chartered Accountants, our statutory auditors to include their name as required under Section 26(1) of the Companies Act read with SEBI 74 ICDR Regulations, in this Prospectus, and as an "*expert*" as defined under Section 2(38) read with Section 26(5) of the Companies Act to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated July 12, 2023 on the Restated Consolidated Financial Information; and (ii) their report dated July 12, 2023 on the statement of possible special tax benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term "*expert*" shall not be construed to mean an "*expert*" as defined under the U.S. Securities Act.

Grading of the Offer

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

Monitoring Agency

Our Company has appointed ICRA Limited, a credit rating agency registered with SEBI as the Monitoring Agency, pursuant to a resolution of our Board dated May 15, 2023 to monitor the utilisation of the Net Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the monitoring agency agreement dated June 15, 2023 executed between the Company and the Monitoring Agency. For details, please refer to chapter titled "*Objects of the Offer*" on page 100 of the Prospectus.

Appraising Agency

The object for which the Net Proceeds will be utilised has not been appraised by any agency.

Credit Rating

As the Offer is of Equity Shares of face value ₹2/- each, credit rating is not required.

Debenture Trustees

As the Offer is of Equity Shares of face value ₹2/- each, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band which have been decided by our Company (acting through its IPO Committee) and the Promoter Selling Shareholder, as applicable, in consultation with the BRLM, and the minimum Bid lot, The Price Band was decided by our Company and Selling Shareholders, in consultation with the BRLM and was advertised in all editions of Business Standard (a widely circulated English national daily newspaper), all editions of Business Standard (a widely circulated Hindi national daily newspaper), and all editions of Navshakti (a widely circulated Marathi newspaper), a regional language newspaper where our Registered Office is located), at least two Working Days prior to the

Bid/Offer Opening Date and was made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price has been determined by our Company (acting through its IPO Committee) in consultation with the BRLM, after the Bid/Offer Closing Date.

All Investors (other than Anchor Investors) were mandatorily required to participate in this Offer only through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount was blocked by the SCSBs. Anchor Investors were not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders were 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 Bidders were allowed to revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors were not allowed to revise and withdraw their Bids after the Anchor Investor Bid/ Offer Period. Except Allocation to Retail Individual Bidders and the Anchor Investors, Allocation in the Offer was made on a proportionate basis. For further details on method and process of Bidding, see "*Offer Procedure*" and "*Offer Structure*" beginning on page 304 and 299 of this Prospectus, respectively.

The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to changes. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Investors should note that the Offer is also subject to (i) approval of the regulatory authorities, if any, and (ii) obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within six (06) Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

Details of price discovery and allocation.

For details of price discovery and allocation, please refer to chapter titled "*Offer Procedure*" on page 304 of this Prospectus.

Underwriting Agreement

Our Company, the Promoter Selling Shareholder, Syndicate Member and the Underwriter have entered into an Underwriting Agreement for the Equity Shares of face value ₹2/- each offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated August 25, 2023. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, address, telephone number and email address of the Underwriter	Indicative number of Equity Shares of face value ₹2/- each to be underwritten	Indicative Amount to be underwritten (in ₹)
Pantomath Capital Advisors Private Limited **Reg. Office:** Pantomath Nucleus House, Saki Vihar Road, Andheri East, Mumbai - 400 072 Maharashtra, India. **Telephone:** +91-22 6194 6700, **Email and Investor Grievance Id:** ipo@pantomathgroup.com **Website:** www.pantomathgroup.com **Contact Person:** Bharti Ranga **SEBI Registration No**: INM000012110	**32500000***	**3510.00***

**The abovementioned underwriting commitment is indicative only and will be finalised after finalisation of Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.*

In the opinion of our Board (based on representations made to our Company by the Underwriter), the resources of the Underwriter are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriter is registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with Stock Exchanges.

Notwithstanding the above table, the Underwriter shall be responsible for ensuring payment with respect to Equity Shares allocated to Investors procured by them in accordance with the Underwriting Agreement. Our Board/ IPO Committee at its meeting held on August 25, 2023, has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Notwithstanding the table above, the underwriters shall be responsible for ensuring payment with respect to the Equity Shares allocated to the Bidders procured by them.

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CAPITAL STRUCTURE

The share capital of our Company, as on date of this Prospectus and after giving effect to the Offer is set forth below:

S. No.	Particulars	Amount (in ₹ except share data)	
		Aggregate nominal value	**Aggregate value at Offer Price***
A.	**Authorised Share Capital**[(1)]		
	175,000,000 Equity Shares of face value of ₹2/- each.	35,00,00,000	-
	1,000,000 Series "A" Compulsorily Convertible Preference Shares of face value of ₹ 10/- each.	1,00,00,000	-
	1,000,000 Series "A" Compulsorily Convertible Preference Shares of face value of ₹ 200/- each.	2,00,00,000	-
B.	**Issued, Subscribed and Paid-Up Share Capital before the Offer**		
	114,320,370 Equity Shares of face value of ₹2/- each	22,86,40,740	-
C.	**Present Offer in terms of this Prospectus**		
	Fresh Issue of 15,000,000 Equity Shares of face value of ₹2/- each at a Price of ₹108/- per Equity Share aggregating to ₹1,620.00 million.[(2)]	30,000,000	1,620,000,000
	Offer for Sale of 17,500,000 Equity Shares of face value of ₹2/- each at a Price of ₹108/- per Equity Share aggregating to ₹1,890.00 million[(3)].	35,000,000	1,890,000,000
	Holding Company Shareholder Reservation Portion[(4)]	5,00,000	54,000,000
D.	**Issued, Subscribed and Paid-Up Share Capital after the Offer***		
	129,320,370 Equity Shares of face value of ₹2/- each	258,640,740	-
E.	**Securities Premium Account** *(₹ in million)*		
	Before the Offer		241.95
	After the Offer		1831.95

** To be included upon finalisation of Basis of Allotment.*

[(1)]For details in relation to change in authorized share capital of our Company in last ten (10) years, please refer to chapter titled "History and Certain Corporate Matters – Amendments to the Memorandum of Association.

[(2)]The present Offer has been authorised by the Board of Directors vide a resolution passed at its meeting held on February 13, 2023, and by the shareholders of our Company vide special resolution passed pursuant to Section 62(1) of the Companies Act, 2013 at the EGM held on February 15, 2023.

[(3)]The Promoter Selling Shareholder, confirms that its respective portion of the Offered Shares have been held by the Promoter Selling Shareholder for a period of at least one year prior to filing of the Prospectus and are eligible for the Offer for Sale in accordance with the Regulation 8 of the SEBI ICDR Regulations. Our IPO Committee has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholder pursuant to a resolution dated March 13, 2023, read with the resolutions passed by our Board on February 13, 2023. For further details of authorizations received for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 279.

Holding Company Eligible Shareholder Reservation

[(4)]The Holding Company Shareholder Reservation Portion has not exceeded 10% of the Offer.. For further details, please refer to chapter titled "Offer Structure" on page 299.

Classes of Shares

The share capital of our Company is divided into two (2) classes i.e. Equity Share Capital consisting of Equity Shares of face value ₹2/- each only; and Preference Share Capital consisting of Series 'A' Compulsory Convertible Preference Shares of face value ₹10/- each and; Series 'A' Compulsory Convertible Preference Shares of face value ₹200/- each'. Our Company has no outstanding convertible instruments as on date of this Prospectus.

Details of changes in authorized share capital of our Company since incorporation

The initial authorised capital of our Company was ₹1,000,000 consisting of 10,000 Equity Shares of ₹10/- each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of Shareholder's Meeting	Particulars of Change		AGM/EGM
	From	To	
September 19, 1998	₹1,000,000 consisting of 10,000 Equity Shares of ₹100/- each	₹10,000,000 consisting of 100,000 Equity Shares of ₹10/- each	EGM
February 15, 2003	₹10,000,000 consisting of 100,000 Equity Shares of ₹10/- each	₹11,000,000 consisting of 1,100,000 Equity Shares of ₹10/- each	AGM
January 16, 2004	₹11,000,000 consisting of 1,100,000 Equity Shares of ₹10/- each	₹20,000,000 consisting of 2,000,000 Equity Shares of ₹10/- each	EGM
July 25, 2006	₹20,000,000 consisting of 2,000,000 Equity Shares of ₹10/- each	₹50,000,000 consisting of 5,000,000 Equity Shares of ₹10/- each	EGM
October 23, 2007	₹50,000,000 consisting of 5,000,000 Equity Shares of ₹10/- each	₹80,000,000 consisting of 8,000,000 Equity Shares of ₹10/- each	EGM
March 25, 2008	₹80,000,000 consisting of 8,000,000 Equity Shares of ₹10/- each	₹100,000,000 consisting of 8,000,000 Equity Shares of ₹10/- each and 2,000,000 Series 'A' preference shares of ₹10/- each.	EGM
July 31, 2008	₹100,000,000 consisting of 8,000,000 Equity Shares of ₹10/- each and 2,000,000 preference shares of ₹10/- each.	₹290,000,000 consisting of 8,000,000 Equity Shares of ₹10/- each, 2,000,000 Series 'A' preference shares of ₹10/- each and 905,000 Series 'A' preference shares of ₹200/- each.	EGM
September 04, 2008*	₹290,000,000 consisting of 8,000,000 Equity Shares of ₹10/- each, 2,000,000 preference shares of ₹10/- each and 905,000 preference shares of ₹200/- each.	₹280,000,000 consisting of 8,000,000 Equity Shares of ₹10/- each, 1,000,000 Series 'A' preference shares of ₹10/- each and 950,000 Series 'A' preference shares of ₹200/- each.	EGM
September 04, 2008*	₹280,000,000 consisting of 8,000,000 Equity Shares of ₹10/- each, 1,000,000 preference shares of ₹10/- each and 1,000,000 preference shares of ₹200/- each.	₹290,000,000 consisting of 8,000,000 Equity Shares of ₹10/- each, 1,000,000 Series 'A' preference shares of ₹10/- each and 1,000,000 Series 'A' preference shares of ₹200/- each.	EGM
March 02, 2010	₹290,000,000 consisting of 8,000,000 Equity Shares of ₹10/- each, 1,000,000 preference shares of ₹10/- each and 1,000,000 preference shares of ₹200/- each.	₹450,000,000 consisting of 24,000,000 Equity Shares of ₹10/- each, 1,000,000 Series 'A' preference shares of ₹10/- each and 1,000,000 Series 'A' preference shares of ₹200/- each.	EGM
May 23, 2022	₹450,000,000 consisting of 24,000,000 Equity Shares of ₹10/- each, 1,000,000 Series 'A' preference shares of ₹10/- each and 1,000,000 Series 'A' preference shares of ₹200/- each.	₹560,000,000 consisting of 35,000,000 Equity Shares of ₹10/- each, 1,000,000 Series 'A' preference shares of ₹10/- each and 1,000,000 Series 'A' preference shares of ₹200/- each.	EGM
February 15, 2023	₹560,000,000 consisting of 35,000,000 Equity Shares of ₹10/- each, 1,000,000 Series 'A' preference shares of ₹10/- each and 1,000,000 Series 'A' preference shares of ₹200/- each.	₹560,000,000/- divided into 175,000,000 Equity Shares of ₹ 02/- each, 1,000,000 Series 'A' Compulsorily Convertible Preference Shares of ₹10/- each and 1,000,000 Series 'A' Compulsorily Convertible Preference Shares of ₹200/- each.	EGM
Our Company vide resolution passed at the meeting of the Board of Directors dated February 13, 2023 and resolution of Shareholders passed in the EGM dated February 15, 2023 approved the sub-division of 01 (one)			

Date of Shareholder's Meeting	Particulars of Change		AGM/EGM
	From	To	
Equity Share of face value ₹10/- each into 05 (Five) Equity Shares of face value ₹2/- each and incidental change in authorized equity share capital of the Company from 35,000,000 Equity Shares of ₹10/- each, to 175,000,000 Equity Shares of ₹ 02/- each.			

***Our Company vide resolution of Board of Directors dated August 08, 2008 and vide resolution passed in the EGM dated September 04, 2008 cancelled 1,000,000 out of 2,000,000 Series 'A' compulsory cumulative convertible preference shares of ₹10/- each and; increased 950,000 Series 'A' compulsory cumulative convertible preference shares of ₹200/- each to 1,000,000 Series 'A' compulsory cumulative convertible preference shares of ₹200/- each. Except as stated above and in the Chapter titled "History and certain corporate matters" on page 181 of the Prospectus our Company has not made any amendments to its Memorandum of Association ("MoA") during the last ten (10) years from the date of filing of this Prospectus.*

NOTES TO CAPITAL STRUCTURE

1. History of Equity share capital of our Company

The following table sets forth details of the history of paid-up Equity share capital of our Company:

Date of Allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid –up Capital (₹)
On Incorporation*	30	10	10	Cash	Subscription to Memorandum of Association(1)	30	300
March 31, 1994^	9000	10	10	Cash	Preferential Allotment(2)	9,030	90,030
March 31, 2001	635,030	10	10	Cash	Preferential Allotment(3)	644,060	6,440,600
March 15, 2004	138,000	10	10	Cash	Preferential Allotment(4)	782,060	7,820,600
March 31, 2005	347,500	10	10	Cash	Preferential Allotment(5)	1,129,560	11,295,600
December 08, 2006	2,550,000	10	10	Cash	Preferential Allotment(6)	3,679,560	36,795,600
March 31, 2007	1,320,440	10	10	Cash	Preferential Allotment(7)	5,000,000	50,000,000
February 22, 2008	631,886	10	10	Cash	Preferential Allotment(8)	5,631,886	56,318,860
March 01, 2008	15,000	10	40	Cash	Preferential Allotment(9)	5,646,886	56,468,860
March 31, 2008	1,000	10	200	Cash	Preferential Allotment(10)	5,647,886	56,478,860
June 30, 2008	1,000,000	10	10	Cash	Preferential Allotment(11)	6,647,886	66,478,860
March 31, 2009	352,114	10	10	Cash	Preferential Allotment(12)	7,000,000	70,000,000
April 02, 2018	15,864,074	10	10	Conversion of Preference Shares	Preferential Allotment(13)	22,864,074^	2,28,640,740
Our Company vide resolution passed at the meeting of the Board of Directors dated February 13, 2023 and resolution of Shareholders passed in the EGM dated February 15, 2023 approved the sub-division of 01 (one) Equity Share of face value ₹10/- each into 05 (Five) Equity Shares of face value ₹2/- each and incidental change in authorized equity share capital of the Company from 35,000,000 Equity Shares of ₹10/- each, to 175,000,000 Equity Shares of ₹ 02/- each.							

Date of incorporation of our Company is October 19, 1993 *[i(1)]Subscription of to the MoA for the total of 30 Equity Shares by Atul Rasiklal Shah (10 Equity Shares), Rasiklal Maganlal Shah (10 Equity Shares) and Sejal Atul Shah (10 Equity Shares);*

[(2)]Preferential allotment of total 9,000 Equity Shares to Atul Rasiklal Shah (3,000 Equity Shares), Rasiklal Maganlal Shah (3,000 Equity Shares) and Yogesh Shah (3,000 Equity Shares)

[(3)]Preferential allotment of total 635,030 Equity Shares to Shabbir Hussain Raniwala (198,000 Equity Shares), Ajab Banu Raniwala (16,500 Equity Shares), Farazdak Shabbir Raniwala (150,500), Jumana Farazdak Raniwala (11,300 Equity Shares), Batul Bai (20,000 Equity Shares), S.H. Kagzi (10,000 Equity Shares), Yusuf Mohammad Kagzi (19,830 Equity Shares), Nafisa Raniwala (11,800 Equity Shares), Yusuf Soni (10,000), Hatim Somearwala (7,000 Equity Shares), Asgar Raniwala (20,000 Equity Shares), Ahmed Raniwala (5,000 Equity Shares), Tasneem (30,000 Equity Shares), Shoab Cyclewala (1,500 Equity Shares), Builquis (1,800 Equity Shares), Hamida Kader (1,800 Equity Shares), Hussain Raniwala (20,000 Equity Shares), Saifuddin Kagzi(100,000 Equity Shares);

[(4)]Preferential allotment of total 138,000 Equity Shares to Bilquis Cyclewala (60,000 Equity Shares), Farazdak Shabbir Raniwala (10,000 Equity Shares), Shabbir Hussain Raniwala (50,000 Equity Shares) and Yousuf M. Kagzi (18,000 Equity Shares);

[(5)]Preferential allotment of total 3,47,000 Equity Shares to Saifuddin Kagzi (227,500 Equity Shares) and Imran Gaya (120,000 Equity Shares);

[(6)]Preferential allotment of total 2,550,000 Equity Shares to Yusuf Mohammad Kagzi (550,000 Equity Shares), Saifuddin Hussain Kagzi (1,000,000 Equity Shares) and Mansoor Hussain Kagzi (1,000,000 Equity Shares);

[(7)]Preferential allotment of total 1,320,440 Equity Shares to Yusuf Mohammad Kagzi (995,440 Equity Shares), Vishnu Ajitsaria (70,000 Equity Shares), Zulekha S. Hussain (120,000 Equity Shares), Fakruddin Kadari (35,000 Equity Shares), Jumana Raniwala (16,000 Equity Shares), Farzdak Raniwala (14,000 Equity Shares), Saifuddin Kagzi (22,500 Equity Shares), Khurshid Kagzi (17,500 Equity Shares) and Shabbir Hussain Raniwala (30,000 Equity Shares);

[(8)]Preferential allotment of total 631,886 Equity Shares to Farazdak Raniwala (35,000 Equity Shares), Parveen Akhter (36,000 Equity Shares), Anju Ajitsaria (40,000 Equity Shares), Mohd. Pervez Akhter (12,000 Equity Shares), Satyanarayan Chaudhary (30,000 Equity Shares) and Saifuddin Kagzi (478,886 Equity Shares);

[(9)]Preferential allotment of total 15,000 Equity Shares to Suhas Kumar Supekar (5,000 Equity Shares) and Manju Makharia (10,000 Equity Shares);

[(10)]Preferential allotment of total 1,000 Equity Shares to Avigo Venture Investments Limited (637 Equity Shares), Bond Street Custodians (300 Equity Shares) and Avigo Trustee Company Private Limited (63 Equity Shares);

[(11)]Preferential allotment of total 1,000,000 Equity Shares to Yousuf M. Kagzi (1,000,000 Equity Shares);

[(12)]Preferential allotment of total 352,114 Equity Shares to Yousuf M. Kagzi;

[(13)]Our Company allotted a total of 15,864,074 Equity Shares upon conversion of preference shares into Equity Shares by preference shareholders in the following manner:

(i)Total 999,437 Equity Shares were allotted to Sat Industries Limited upon conversion of 62,937 Series 'A' Compulsorily Convertible Preference Shares of ₹10/- each into 62,937 Equity Shares and upon conversion of 63,000 Series 'A' Compulsorily Convertible Preference Shares of ₹200/- each into 936,500 Equity Shares;

(ii)Total 13,373,971 Equity Shares were allotted to Sat Industries Limited upon conversion of 636,363 Series 'A' Compulsorily Convertible Preference Shares of ₹10/- each into 636,363 Equity Shares and upon conversion of 637,000 Series 'A' Compulsorily Convertible Preference Shares of ₹200/- each into 12,737,608 Equity Shares and;

(iii)Total 1,490,666 Equity Shares were allotted to Italica Global FZC upon conversion of 299,700 Series 'A' Compulsorily Convertible Preference Shares of ₹10/- each into 214,071 Equity Shares and upon conversion of 300,000 Series 'A' Compulsorily Convertible Preference Shares of ₹200/- each into 1,276,595 Equity Shares.

^Our Company vide resolution passed at the meeting of the Board of Directors dated February 13, 2023 and resolution of Shareholders passed in the EGM dated February 15, 2023 approved the sub-division of 01 (one) Equity Share of face value ₹10/- each into 05 (Five) Equity Shares of face value ₹2/- each. As on date of this Prospectus , the cumulative issued, paid-up and subscribed equity shares of the Company are 114,320,370

^Certain secretarial records of our Company, including RoC filings, are not traceable by our Company, or with the RoC, in connection with the allotment of equity shares dated March 31, 1994. Accordingly, we have relied on the other corporate records maintained by our Company such as statutory registers and the minutes of meetings of the Board (to the extent available) to ascertain the information sought from the missing corporate records. The relevant details and documents are also not available at the office of the RoC as certified by S.K. Jain & Company, Practicing Company Secretaries in their search report dated May 10, 2022

2. **History of preference share capital of our Company**

a) **Series 'A' Compulsorily Convertible Preference Shares of ₹10/- each. ("Preference Shares of ₹10/- each")**

Date of Allotment	No. of Shares	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Shares	Cumulative paid –up Capital (₹)
March 31, 2008	999,000	10	10	Cash	Allotment of preference shares to Identified investors on a private placement basis#	999,000	9,990,000

#Allotment of total 999,000 preference shares to Avigo Venture Investment Limited (636,363 Preference Shares), Bond Street Custodians Limited (299,700 Preference Shares) and Avigo Trustee Company Private Limited (62,937 Preference Shares);

b) **Series 'A' Compulsorily Convertible Preference Shares of ₹200/- each. ("Preference Shares of ₹200/- each")**

Date of Allotment	No. of Shares	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Shares	Cumulative paid –up Capital (₹)
August 30, 2008	950,000	200	200	Cash	Allotment of preference shares to Identified investors on a private placement basis*	950,000	190,000,000
September 09, 2008	50,000	200	200	Cash	Allotment of preference shares to Identified investors on a private placement basis^	1,000,000	200,000,000

**Allotment of total 950,000 Preference Shares to Avigo Venture Investment Limited (637,000 Preference Shares), Bond Street Custodians Limited (250,000 Preference Shares) and Avigo Trustee Company Private Limited (63,000 Preference Shares);*

^Allotment of total 50,000 Preference Shares to Bond Street Custodians Limited (50,000 Preference Shares).

3. **Issue of Equity Shares for consideration other than cash or out of revaluation reserves and through bonus issue:**

Except as stated below, our Company has not done any issue of Equity Shares for consideration other than cash or out of revaluation reserves and through bonus issue.

Date of Allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid –up Capital (₹)
April 02, 2018	15,864,074	10	10	Cash	Preferential Allotment	22,864,074	228,640,740

For further details please refer to chapter titled "*Capital Structure – History of Equity Share Capital of our Company*.

4. Issue of Equity Shares pursuant to any schemes of arrangement.

Our Company has not allotted any Equity Shares pursuant to any scheme of amalgamation approved under Sections 230 to 234 of the Companies Act, 2013.

5. Issue or transfer of Equity Shares under employee stock option schemes

Our Company has formulated an employee stock option scheme namely the "Aeroflex Industries Limited ESOP 2022" ("**ESOP 2022**") pursuant to a resolution passed by the Board on August 05, 2022 and the Shareholders in AGM dated September 03, 2022, with a maximum options pool of options not exceeding two percent (02%) of the issued, subscribed and paid-up Equity Share Capital. Further, the ESOP 2022 contemplates a statutory minimum vesting period of one (01) year from the date of grant of options.

The primary objective of the ESOP 2022 is to reward key employees for their association, dedication and contribution to the goals of the Company. The ESOP Scheme is in compliance with the SEBI SBEB Regulations with the Nomination, Remuneration and Compensation Committee administering the ESOP 2022. As on the date of this Prospectus , no options have been granted and no Equity Shares have been issued under the ESOP Scheme.

6. Issue of shares at a price lower than the Offer Price in the last year.

Our Company has not issued any Equity Shares during a period of one year preceding the date of this Prospectus which is lower than the Issue Price.

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7. Shareholding pattern of our Company

The table below represents the shareholding pattern of our Company as on the date of this Prospectus :

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+ (+VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities No. (a)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoter and Promoter Group	02	104,136,	-	-	104,136,663	91.09	104,136,663	104,136,663	91.09	-	91.09	-	-	-		104,136,663
(B)	Public	16	10,183,707	-	-	10,183,707	8.91	10,183,707	10,183,707	8.91	-	8.91	-	-	-	-	10,183,707
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	**18**	**114,320,370**	**-**	**-**	**114,320,370**	**100.00**		**114,320,370**	**100.00**	**-**	**100.00**	**-**	**-**	**-**		**114,320,370**

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one (1) day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares.

A. Other details of shareholding of our Company:

a) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company aggregating to 80% or more of the paid-up share capital and the number of shares held by them as on the date of filing of this Prospectus :

Sr. No.	Name of the Shareholders	No. of Equity Shares of Face value ₹2/- each	% of Pre-Offer Equity Share Capital
1.	Sat Industries Limited	9,66,81,833	84.57
2.	Italica Global FZC	7,454,830	6.52
3.	Ashish Kacholia	2,315,935	2.03
4.	Bengal Finance and Investment Private Limited	2,315,935	2.03
5.	Carnelian Structural Shift Fund	1,256,250	1.10
6.	Jagdish N Master	1,298,126	1.14
7.	Rosy Blue (India) Private Limited	1,137,650	1.00
		112,460,559	**98.37**

b) Particulars of shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them ten (10) days prior to the date of filing of this Prospectus:

Sr. No.	Name of the Shareholders	No. of Equity Shares of Face value ₹2/- each	% of Pre-Offer Equity Share Capital
1.	Sat Industries Limited	9,66,81,833	84.57
2.	Italica Global FZC	7,454,830	6.52
3.	Ashish Kacholia	2,315,935	2.03
4.	Bengal Finance and Investment Private Limited	2,315,935	2.03
5.	Carnelian Structural Shift Fund	1,256,250	1.10
6.	Jagdish N Master	1,298,126	1.14
7.	Rosy Blue (India) Private Limited	1,137,650	1.00
		112,460,559	**98.37**

c) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them one (01) years prior to filing of this Prospectus:

Sr. No.	Name of the Shareholders	No. of Equity Shares of Face value ₹10/- each	% of Pre-Offer Equity Share Capital
1.	Sat Industries Limited	21,075,408	92.18
2.	Italica Global FZC	1,490,966	6.52
	Total	**22,566,374**	**98.70**

d) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them two (02) years prior to filing of this Prospectus :

Sr. No.	Name of the Shareholders	No. of Equity Shares of Face value ₹10/- each	% of Pre-Offer Equity Share Capital
1.	Sat Industries Limited	21,075,408	92.18
2.	Italica Global FZC	1,490,966	6.52
	Total	**22,566,374**	**98.70**

e) None of the shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of this Prospectus are entitled to any Equity Shares of face value ₹2/- each upon exercise of warrant, option or right to convert a debenture, loan or other instrument.

f) Our Company has not made any initial public offer of its Equity Shares of face value ₹2/- each or any convertible securities during the preceding 02 (two) years from the date of this Prospectus.

8. Our Company does not have any intention or proposal to alter its capital structure within a period of six (06) months from the date of opening of the Offer by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Offer to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

9. Details of build-up of our Promoter's equity and preference shareholding in our Company:

Sat Industries Limited:

As on the date of this Prospectus, the Promoter of our Company, holds 96,681,833 Equity Shares of face value ₹2/- each, equivalent to 84.57% of the issued, subscribed and paid-up Equity Share capital of our Company none of the Equity Shares held by the Promoter are subject to any pledge.

a) Set forth below are the details of the build - up of our Promoters' equity shareholding in our Company since incorporation:

Date of allotment/ transfer and date when made fully paid up	Nature of transaction	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue/transfer price per Equity Share (in ₹)	Nature of consideration	% of pre issue capital	% of post issue capital	Cumulative number of Equity Shares
March 23, 2018	Transfer from Avigo Trustee Company Private Limited	63	10	3.45	Cash	Negligible	Negligible	63
	Transfer from Park Continental Private Limited	637	10	4.05	Cash	Negligible	Negligible	700
April 02, 2018*	Allotment pursuant to conversion of Preference Shares of ₹10/- each and Preference Shares of ₹200/- each.	14,373,408	10	-	Conversion	17.97	11.11	14,374,108
October 22, 2019	Transfer from Yusuf Mohammad Kagzi	6,701,300	10	22.00	Cash	8.38	5.18	21,075,408
May 15, 2023	Transfer to Ashish Kacholia	- 2,315,935	02	87.56	Cash	2.03	1.79	103,061,105^
May 15, 2023	Transfer to Bengal Finance and	- 2,315,935	02	87.56	Cash	2.03	1.79	100,745,170

	Investment Private Limited							
June 13, 2023	Transfer to Mitul Prafulbhai Mehta	- 28,552	02	87.56	Cash	0.02	Negligible	100,716,618
June 13, 2023	Transfer to Samedh Trinity Partners	-28,552	02	87.56	Cash	0.02	Negligible	10,06,88,066
June 13, 2023	Transfer to Jagdish Master	-12,98,126	02	87.56	Cash	1.14	1.00	99,389,940
June 13, 2023	Transfer to Shyamsundar Basudev Agarwal	-114,207	02	87.56	Cash	0.10	Negligible	99,275,733
June 13, 2023	Transfer to VPK Global Ventures Fund	- 100,000	02	87.56	Cash	0.09	Negligible	99,175,733
June 13, 2023	Transfer to Rajnikkumar Sureshbhai Savaliya HUF	- 100,000	02	87.56	Cash	0.09	Negligible	99,075,733
June 13, 2023	Transfer to Rosy Blue (India) Private Limited	-1,137,650	02	87.56	Cash	1.00	0.87	97,938,083
June 13, 2023	Transfer to Carnelian Structural Shift Fund	- 1,256,250	02	87.56	Cash	1.10	0.97	96,681,833
	Total				-	84.57	74.76	96,681,833

**Total 9,99,437 Equity Shares were allotted to Sat Industries Limited upon conversion of 62,937 Series 'A' Compulsorily Convertible Preference Shares of ₹10/- each into 62,937 Equity Shares and upon conversion of 63,000 Series 'A' Compulsorily Convertible Preference Shares of ₹200/- each into 9,36,500 Equity Shares.*

**Total 1,33,73,971 Equity Shares were allotted to Sat Industries Limited upon conversion of 6,36,363 Series 'A' Compulsorily Convertible Preference Shares of ₹10/- each into 6,36,363 Equity Shares and upon conversion of 6,37,000 Series 'A' Compulsorily Convertible Preference Shares of ₹200/- each into 1,27,37,608 Equity Shares.*

^ Of face value ₹2/- each.

Our Company vide resolution passed at the meeting of the Board of Directors dated February 13, 2023 and resolution of Shareholders passed in the EGM dated February 15, 2023 approved the sub-division of 01 (one) Equity Share of face value ₹10/- each into 05 (Five) Equity Shares of face value ₹2/- each and incidental change in authorized equity share capital of the Company from 35,000,000 Equity Shares of ₹10/- each, to 175,000,000 Equity Shares of ₹ 02/- each.

Note-promoter selling shareholder has offered 1,75,00,000 equity shares through offer for sale.

b) Set forth below are the details of the build - up of our Promoters' shareholding of Preference Shares of ₹10/- each in our Company since incorporation:

Date of allotment/transfer and date when made fully paid up	Nature of transaction	Number of Preference Shares of ₹10/- each	Face value per Preference Share (in ₹)	Issue/transfer price per Preference Share (in ₹)	Nature of consideration	% of pre issue capital	% of post issue preference share capital	Cumulative number of Preference Shares of ₹10/- each

March 29, 2018	Transfer from Avigo Trustee Company Private Limited	62,937	10	3.45	Cash	-*	-*	62,937
	Transfer from Park Continental Private Limited	6,36,363	10	4.05	Cash	-*	-*	6,99,300
	Total	**6,99,300**				**3.07**	**-**	**6,99,300**

As on date of this Prospectus, our Company does not have any paid-up preference share capital.

c) Set forth below are the details of the build - up of our Promoters' shareholding of Preference Shares of ₹200/- each in our Company since incorporation:

Date of allotment/transfer and date when made fully paid up	Nature of transaction	Number of Preference Shares of ₹200/- each	Face value per Preference Share (in ₹)	Issue/transfer price per Preference Share (in ₹)	Nature of consideration	% of pre issue capital	% of post issue preference share capital	Cumulative number of Preference Shares
March 29, 2018	Transfer from Avigo Trustee Company Private Limited	63,000	200	51.52	Cash	-*	-*	63,000
	Transfer from Park Continental Private Limited	6,37,000	200	80.84	Cash	-*	-*	7,00,000
	Total	**7,00,000**				**3.07**	**-**	**7,00,000**

As on date of this Prospectus, our Company does not have any paid-up preference share capital.

10. As on the date of this Prospectus, the Company has 18 (eighteen) members/shareholders.

11. The details of the Shareholding of the members of the Promoter Group as on date of this Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholders	Pre-Offer		Post- Offer
		Number of Equity Shares	**% of total shareholding**	**% of total shareholding**
	A) Promoter			
1.	Sat Industries Limited	96,681,833	84.57	74.76
	B) Promoter Group			
2.	Italica Global FZC	7,454,830	6.52	5.76

12. The Promoter Group, Directors of our Company and their relatives have not undertaken purchase or sale transactions in the Equity Shares of our Company, during a period of six (06) months preceding the date on which the Prospectus was filed with ROC.Except as disclosed below, our Promoter has not undertaken any purchase or sale transaction in the Equity Shares of our Company, during a period of six (06) months preceding the date on which the Prospectus was filed with RoC.

The following transfers have been undertaken by our Promoter at a transfer price of ₹87.56 per Equity Share

Acquirer	Number of Equity Shares of face value ₹2/- each	Date of share purchase understanding/agreement	Date of Transfer
Ashish Kacholia	2,315,935	May 10, 2023	May 15, 2023
Bengal Finance and Investment Private Limited	2,315,935	May 10, 2023	May 15, 2023
Mitul Prafulbhai Mehta	28,552	May 22, 2023	June 13, 2023
Samedh Trinity Partners	28,552	May 22, 2023	June 13, 2023
Jagdish Master	12,98,126	June 06, 2023	June 13, 2023
Shyamsundar Basudev Agarwal	114,207	June 06, 2023	June 13, 2023
VPK Global Ventures Fund	100,000	June 12, 2023	June 13, 2023
Rajnikkumar Sureshbhai Savaliya HUF	100,000	June 12, 2023	June 13, 2023
Rosy Blue (India) Private Limited	1,137,650	June 09, 2023	June 13, 2023
Carnelian Structural Shift Fund	1,256,250	June 09, 2023	June 13, 2023

13. There are no financing arrangements wherein the Promoter, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six (06) months immediately preceding the date of filing of this Prospectus.

14. **Details of Promoter's Contribution Locked**

Pursuant to Regulation 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20.00% of the fully diluted post-Offer capital of our Company held by the Promoter shall be locked in for a period of eighteen (18) months from the date of Allotment (**'Minimum Promoter Contribution'**), and the Promoters' shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six (06) months from the date of Allotment.

The lock-in of the Minimum Promoter's Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock Exchanges before the listing of the Equity Shares.

Following are the details of Minimum Promoter's Contribution:

Number of Equity Shares locked-in*(1)(2)(3)	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in ₹)	Issue / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post- Offer paid-up capital	Period of lock-in
			Sat Industries Limited				
258,64,074	**Transfer from Yusuf Mohammad Kagzi**	**October 22,2019**	**10$**	**22**	**cash**	**20.00**	**18 months**

**Subject to finalisation of Basis of Allotment.*
(1)For a period of eighteen (18) months from the date of allotment.
(2)All Equity Shares have been fully paid-up at the time of allotment.
(3)All Equity Shares held by our Promoter are in dematerialized form.
$Our Company vide resolution passed at the meeting of the Board of Directors dated February 13, 2023 and resolution of Shareholders passed in the EGM dated February 15, 2023 approved the sub-division of 01 (one) Equity Share of face value

₹10/- each into 05 (Five) Equity Shares of face value ₹2/- each

For details on the build-up of the Equity Share capital held by our Promoter, please refer to "***Details of the Build-up of our Promoters' shareholding***" on page 92.

The Promoter's Contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as 'promoter' under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoter' Contribution under Regulation 15 of the SEBI ICDR Regulations. In this computation, as per Regulation 15 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- Equity Shares acquired during the preceding three (03) years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
- Equity Shares resulting from bonus issue by utilisation of revaluations reserves or unrealised profits of the Company or from bonus issue against Equity Shares which are otherwise ineligible for minimum promoters' contribution;
- Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- Equity Shares issued to the Promoter upon conversion of a partnership firm;
- Equity Shares held by the Promoter that are subject to any pledge; and
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoters' Contribution subject to lock-in.

Our Company has not been formed by the conversion of a partnership firm into a company in the past one year and thus, no Equity Shares have been issued to our Promoter upon conversion of a partnership firm in the past one year. All the Equity Shares held by the Promoter are held in dematerialized form.

In terms of undertaking executed by our Promoter, Equity Shares forming part of Promoter's Contribution subject to lock in will not be disposed/ sold/ transferred by our Promoter during the period starting from the date of filing of this Prospectus till the date of commencement of lock in period as stated in this Prospectus.

15. Details of Equity Shares locked-in for six months:

In addition to 20% of the fully diluted post-Offer shareholding of our Company held by our Promoter and locked-in for 18 months, in terms of Regulation 16(1)(b) and Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company shall be locked-in for a period of six months from the date of Allotment, except for (i) the Equity Shares transferred pursuant to the Offer for Sale; (ii) any Equity Shares allotted to employees, whether currently employees or not and including the legal heirs or nominees of any deceased employees or ex-employees, pursuant to the ESOP Schemes prior to the Offer; (iii) any Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI, as applicable, provided that (a) such Equity Shares shall be locked in for a period of at least six months from the date of purchase by such VCF or AIF or FVCI; and (b) such VCF or AIF of category I or category II or a FVCI holds, individually or with persons acting in concert, less than 20% of pre-Offer Equity Share capital of the Company (on a fully diluted basis).

16. Other requirements in respect of 'lock-in'

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoter prior to the Offer may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 17 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by the Promoter, which are locked-in may be transferred to and amongst the members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable. Further, the Equity Shares held by persons other than the Promoter and locked-in for a period of six months from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

In terms of Regulation 21(a) of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoter can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions, provided that such loans have been granted for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans.

In terms of Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoter which are locked-in for a period of six (06) months 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;

An oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Offer as a result of which, the post-offer paid up capital after the Offer would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock-in shall be suitably increased so as to ensure that 20% of the Post Offer paid-up capital is locked in for eighteen (18) months.

Any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

17. 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% shall be locked in for a period of 30 days from the date of Allotment.

18. Our Company, our Promoter, our Directors and the BRLM have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.

19. The post-Offer paid up Equity Share Capital of our Company shall not exceed the authorised Equity Share Capital of our Company.

20. There have been no financing arrangements whereby 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 Prospectus.

21. No person connected with the Offer, including, but not limited to, our Company, the members of the Syndicate, or our Directors, 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.

22. Except for the (i) allotment of Equity Shares pursuant to the Offer; and (ii) issuance of Equity Shares pursuant to exercise of options granted under the ESOP Scheme our Company presently does not intend or propose and is not under negotiations or considerations to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise.

23. Our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Prospectus. Further, as on date of this Prospectus, our Company does not have any paid-up preference share capital.

24. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

25. Our Company has ensured that the transactions in Equity Shares by our Promoter and the Promoter Group during the period between the date of filing the Prospectus and the date of closure of the Offer, were reported to the Stock Exchanges within 24 hours of the transaction.

26. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Prospectus.

27. As on the date of this Prospectus, the BRLM and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The BRLM and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

28. Following are the details of Equity Shares of our Company held by our Directors, Key Management Personnel and Senior Management Personnel:

Sr. No.	Name of the Shareholders	No. of Equity Shares of face value ₹2/- each	% of Pre-Offer Equity Share Capital
1.	Pervez Akhter	740,000	0.65
2.	Asad Daud	500	Negligible
3.	Harikant Ganeshlal Turgalia	500	Negligible
4.	Mustafa Abid Kachwala	500	Negligible

29. Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Offer.

30. Any oversubscription to the extent of 1% of the Offer size can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis of Allotment.

31. None of the Promoter or other members of our Promoter Group have participate in the Offer except to the extent of their participation in the Offer for Sale.

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

OBJECTS OF THE OFFER

The Offer comprises of the Offer for Sale and the Fresh Issue. The Fresh Issue comprises of 15,000,000 Equity Shares, of face value ₹2/- each aggregating to ₹ 1,620.00 million to be issued by our Company and the Offer for Sale comprises of 1,75,00,000 Equity Shares of face value ₹2/- each, aggregating to ₹1,890.00 million by the Promoter Selling Shareholder.

Offer for Sale

The Promoter Selling Shareholder will be entitled to receive the proceeds from the Offer for Sale after deducting their proportion of Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale.

Except for listing fees, audit fees and expenses for any corporate advertisements, viz. roadshows in different cities, broker analysts meet, product content advertisement and corporate videos (which shall be solely borne by our Company) all Offer expenses will be shared between our Company and the Promoter Selling Shareholder in the manner agreed by them on a pro-rata basis and in proportion to the Equity Shares issued by our Company and the Promoter Selling Shareholder through Fresh Issue and Offer for Sale, respectively, in accordance with applicable laws. The proceeds of the Offer for Sale will only be received by the Promoter Selling Shareholder and the same will not form part of the Net Proceeds. For further details of the Offer for Sale, please refer to chapter titled *"The Offer"* beginning on page 69.\

Objects of the Fresh Issue

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

1. Full or part repayment and/or prepayment of certain outstanding secured borrowings (including foreclosure charges, if any) availed by our Company;
2. Funding working capital requirements of our Company; and
3. General corporate purposes and Unidentified Inorganic Acquisitions.

(Collectively, referred to as the "**Objects**")

In addition, our Company expects to achieve the benefits of listing of the Equity Shares on the Stock Exchanges and enhance our Company's brand name and image amongst our existing and potential customers.

The main object clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Offer. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

Offer Proceeds

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

(₹ in Million)

Particulars	Estimated amount(1)
Gross Proceeds from the Offer (1)	1,620.00
(Less) Offer related expenses in relation to the Fresh Issue to be borne by our Company(2)	304.73
Net Proceeds(1)(3)	1,315.27

(2) *The Offer related expenses shall vary depending upon the final offer Size and the allotment of Equity Shares.*

Utilization of Net Proceeds

The Net Proceeds are proposed to be used in the manner set out in in the following table:

(₹ in Million)

Sr. No.	Particulars	Estimated amount
1.	Full or part repayment and/or prepayment of certain outstanding secured borrowings (including foreclosure charges, if any) availed by our Company	320.00
2.	Funding working capital requirements of our Company	840.00
3.	General corporate purposes and Unidentified Inorganic Acquisitions [(1)]	155.27

In compliance with Regulation 7(2) of the SEBI ICDR Regulations, the amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Offer.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in Million)

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Estimated Utilisation of Net Proceeds in Fiscal 2024	Estimated Utilisation of Net Proceeds in Fiscal 2025
1.	Full or part repayment and /or prepayment of certain outstanding secured borrowings (including foreclosure charges, if any) availed by our Company	320.00	320.00	-
2.	Funding working capital requirements of our Company	840.00	540.00	300.00
3.	General corporate purposes and Unidentified Inorganic Acquisitions [#*]	155.27	It shall be utilised within the next two financial years	
4.	**Total**	1,315.27		

[#]*In compliance with Regulation 7(2) of the SEBI ICDR Regulations, the amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the offer.*
[#]*In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not met in full or part, the same shall be utilized in the next fiscal year, as may be determined by our Board of Directors, in accordance with applicable laws*

In the event of the estimated utilisation of the Net Proceeds in a scheduled financial year being not undertaken in in full or in part the remaining Net Proceeds shall be utilised in subsequent financial years, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the Objects during the respective periods stated above due to factors including but not limited to (i) global or domestic economic or business conditions; (ii) increased competition; (iii) timely completion of the Offer; (iv) market conditions beyond the control of our Company; and (v) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by the Board of Directors of our Company, in accordance with applicable laws. In the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Further, if the actual utilisation towards any of the Objects, as set out above, is lower than the proposed deployment, such balance will be used towards general corporate purposes, provided that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds, in accordance with the Regulation 7(2) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilising our internal accruals, any additional equity or debt arrangements or both. We believe that such alternate arrangements would be available with our Company to fund any such shortfalls.

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified by the Book Running Lead Manager or appraised by any bank, financial institution or any other external agency, please refer to "*Risk Factor No. 17 – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and we have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Issue and have not been independently appraised by a bank or a financial institution Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval*." in the chapter titled '*Risk Factors*' on page 37. The fund requirements are based on current circumstances of the business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, including but not limited to market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the Board of Directors. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our Company may explore a range of options including utilizing our internal accruals or seeking debt financing.

Means of finance

The fund requirements for the aforesaid Objects are proposed to be met entirely from the Net Proceeds and existing internal accruals. Accordingly, we confirm that there is no need for our Company to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue under Regulation 7(1)(e) of the SEBI ICDR Regulations and Paragraph 9(C)(1) of Part A of Schedule VI of the SEBI ICDR Regulations. Subject to applicable laws, in case of a shortfall in raising of the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including but not limited to availing debt financing.

Details of the Objects of the Offer

The details of the Objects are set out below:

1. ***Full or part repayment and/or prepayment of certain outstanding secured borrowings (including foreclosure charges, if any) availed by our Company***

Our Company has entered into various financing arrangements with banks and financial institutions. For disclosure of our borrowings as at July 31, 2023, please refer to chapter titled "*Financial Indebtedness*" beginning on page 226.

As at July 31, 2023, the aggregate outstanding borrowings of our Company are ₹394.42 million. Our Company proposes to utilise an estimated amount of up to ₹ 320.00 million from the Net Proceeds towards repayment and/ or pre-payment of the existing borrowings availed by our Company. Our Company may repay or refinance part of its existing borrowings prior to the Allotment. Accordingly, our Company may utilise the Net Proceeds for part or full pre-payment or scheduled repayment of any such refinanced borrowings or additional borrowings obtained. However, our Company confirms that the aggregate amount to be utilised from the Net Proceeds towards pre-payment and/ or scheduled repayment of its existing borrowings (including re-financed or additional borrowings availed, if any), in part or full, will not exceed ₹ 320.00 million.

We may choose to repay and/ or pre-pay certain borrowings availed by us, other than those identified in the table below, which may include additional borrowings we may avail after the filing of this Prospectus . Given the nature of these borrowings and the terms of repayment/pre-payment, the aggregate outstanding borrowing amounts may vary from time to time. In light of the above, at the time of filing the Red Herring Prospectus or Prospectus with the RoC, the details in this chapter shall be suitably updated to reflect the revised amounts or loans as the case may be which have been availed by us. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular fiscal may be repaid/ pre-paid in part or full by our Company in the subsequent fiscal. The selection of borrowings proposed to be repaid/pre-paid by us shall be based on various factors including but not limited to (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) levy of any prepayment penalties and the quantum thereof, (iii) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan, (iv) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our lenders and (v) provisions of any law, rules, regulations governing such borrowings. Further, our Company has obtained a written consent from the relevant lender for undertaking the Offer.

Our Company proposes to repay outstanding principal balance and foreclosure charges of some of the aforementioned loans out of the Net Proceeds.

Given the nature of borrowings and the terms of repayment/prepayment, the aggregate outstanding borrowing amount may vary from time to time. The amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Payment of foreclosure charges, prepayment penalty or premium, if any, and other related costs shall be made by us out of the Net Proceeds. If the Net Proceeds are insufficient for making payments for such foreclosure charges, pre-payment penalties or premiums, such excessive amount shall be met from our existing internal accruals. If at the time of Allotment, any of the below mentioned loans are repaid or refinanced or if any additional credit facilities are availed or drawn down or further disbursements under the existing facilities are availed by our Company, then our Company may utilise the Net Proceeds for prepayment/ repayment of any such refinanced facilities or repayment of any additional facilities/ disbursements obtained by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards repayment/ prepayment of certain borrowings, in part or in full, would not exceed ₹ 320.00 million.

We believe that the pre-payment or scheduled repayment will help reduce our existing borrowings, assist us in maintaining a favourable debt-equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that the debt-equity ratio of our Company will improve significantly enabling us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

In light of the above, at the time of filing this Prospectus, the details in this chapter have been suitably updated to reflect the revised amounts or loans as the case may be which have been availed by us. Further, in the event our Board of Directors deem appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular Fiscal may be repaid / pre-paid by our Company in the subsequent Fiscal.

The following table provides details of the borrowings availed by our Company as on July 31, 2023, out of which our Company proposes to pre-pay and/ or repay, in full or in part, up to an amount aggregating to ₹ 320.00 million from Net Proceeds:

Sr. No.	Name of the Lender	Nature of Facility	Date of the Latest Sanction Letter	Sanctioned Amount (₹ in million)	Outstanding Amount as at July 31, 2023 (₹ in million)	Rate of Interest (%)	Foreclosure / Prepayment Charges (%)	Tenure of the Loan	Purpose of raising the Loan	Repayment from the Net Proceeds (₹ in million)
1	Kotak Mahindra Bank	Foreign Currency Term Loan No. 2	September 02, 2022	165.10	93.57	LIBOR+4.35%	0.50% on the principal outstanding	60 Months	Working Capital Requirements	93.20
2		Foreign Currency Term Loan No. 3	September 02, 2022	165.00	179.76*	EURIBOR + 5.75% p.a.	0.50% on the principal outstanding	60 Months	Working Capital Requirements	178.00
3		Emergency Credit Line Guarantee Scheme (ECLGS) Loan	September 02, 2022	76.70	48.80	7.65% p.a.	0.50% on the principal outstanding	48 Months	Working Capital Requirements	48.80
	Total									**320.00**

**Important Note: For Foreign Currency Term Loan No. 3, the amount outstanding as on July 31, 2023 is more than the sanctioned amount in terms of Indian Rupees (INR) due to significant increase in the exchange rate of INR/EUR. In Euro currency terms, the total outstanding balance of Foreign Currency Term Loan No. 3 as on July 31, 2023 is Euro 1,981,057.97 as per the balance confirmation received from the bank.*

In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, we have obtained a certificate dated August 9, 2023, from the Statutory Auditors M/s. Shweta Jain & Co., Chartered Accountants, certifying that the borrowings have been utilised towards the purposes for which such borrowings were availed by us.

The amounts outstanding against the borrowings disclosed in this chapter may vary from time to time, in accordance with the amounts drawn down, repayment, pre-payment and the prevailing interest rates and other applicable factors. In addition to the above, we may, enter into fresh financing arrangements with banks and financial institutions. In such cases or in case any of the borrowings proposed to be repaid/ pre-paid out of Net Proceeds, are repaid, refinanced or prepaid or further drawn-down or freshly drawn-down, within existing limits or enhanced limits, prior to the completion of the Offer, we may utilize the Net Proceeds towards repayment or pre-payment of the additional borrowings. For further details, please refer to chapter titled "*Financial Indebtedness*" on page 226.

The selection of borrowings proposed to be prepaid and/ 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 or foreclosure from the respective lenders, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any laws, rules and regulations governing such borrowings, and (vi) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. The selection and extent of the borrowings proposed to be prepaid and / or repaid as mentioned in the table above, is not determined and our Company may utilize the Net Proceeds to prepay and / or repay the facilities disclosed above in accordance with commercial considerations, including amounts outstanding at the time of prepayment and/ or repayment.

For the purposes of the Offer, our Company has intimated and has obtained necessary consent from its lender, as is required under the relevant facility documentation for undertaking activities in relation to this Offer, including consequent actions, such as change in the capital structure, change in shareholding pattern of our Company, amendment to the Articles of Association of our Company, change in composition of board of directors etc.

In case we are unable to raise the Offer Proceeds till the due date for repayment of any of the above-mentioned portion of the loans, the funds earmarked for such repayment may be utilised for payment of future instalments of the above-mentioned loan or other loan for an amount not more than the amount mentioned above.

For details in relation to the terms and conditions under the aforesaid loan agreements as well as restrictive covenants in relation thereto, please refer to chapters titled '*Financial Indebtedness*' and '*Risk Factor'* on pages 226 and 37, respectively

2. Funding working capital requirements of our Company

We provide our flexible flow solutions across various categories, for a wide spectrum of industrial applications. We derive majority of our revenue from exports. For Fiscals 2023, 2022 and 2021 our exports were ₹2,171.80 million, ₹2,035.59 million and ₹1,171.15 million which constituted 80.60%, 84.53%, and 80.90% of our revenue from operations respectively. We intend to expand our operations by offering solutions across existing and new materials, enhance our overseas markets through own dedicated presence, expand our domestic presence and scale up our in-house R&D activities. All these factors may result in increase in the quantum of working capital requirements. For further details, please refer the chapter titled "*Our Business*" on page 152 of this Prospectus.

Our business requires significant amount of working capital and we fund our working capital requirements in the ordinary course of business from internal accruals and financing from various banks and financial institutions. As on July 31, 2023 our Company had total sanctioned limit of working capital facilities of ₹406.80 million and had outstanding balance of ₹322.12 million, on a standalone basis. For details, please refer to chapter titled '*Financial Indebtedness"* on page 226. Accordingly, we propose to utilise the Net Proceeds in order to partially meet such working capital requirements. The deployment of net proceeds shall be over the course of Fiscal 2024 and 2025, in accordance with the working capital requirements of our Company.

Existing Working Capital Requirement

The details of working capital requirement of our Company as at year ended March 31, 2023, March 31, 2022 and March 31, 2021, and the source of funding, on the basis of audited standalone financial statements of our Company, as certified by M/s Shweta Jain & Co., Chartered Accountants through their certificate dated July 12, 2023, are provided in the table below:

(₹ in Million)

Particulars	**As at March 31, 2023 (Actual)**	**As at March 31, 2022 (Actual)**	**As at March 31, 2021 (Actual)**
Current Assets			
(a) Inventories			
- Raw Materials	236.19	212.17	199.83
- Stock in Process	293.59	73.87	100.23
- Finished Goods	30.29	72.17	43.14
(b) Financial Assets			
(i) Trade Receivables	669.58	526.12	339.29
(ii) Cash and bank balances	61.84	83.10	34.18
(iii) Other Current Assets	252.09	322.01	437.46
Total Current Assets (A)	**1543.58**	**1,289.45**	**1,154.12**
Current Liabilities			
(a) Trade Payables	366.30	341.85	403.84
(b) Advance from Customers	47.32	92.10	35.31

Particulars	As at March 31, 2023 (Actual)	As at March 31, 2022 (Actual)	As at March 31, 2021 (Actual)
(b) Other Current Liabilities and Provisions	122.67	136.85	50.28
Total Current Liabilities (B)	**536.30**	**570.80**	**489.42**
Total Working capital Requirement (C=A-B)	**1,007.28**	**718.65**	**664.70**
Funding Pattern (D)			
Working Capital Loans from Banks	376.68	346.98	449.62
Internal Accruals	630.60	371.67	215.07

Estimated Working Capital Requirement

We propose to utilize ₹ 540.00 million and ₹ 300.00 million of the Net Proceeds in Fiscals 2024 and 2025, respectively, towards our Company's working capital requirements. The balance portion of working capital requirement of our Company shall be met through internal accruals. On the basis of our existing working capital requirements and the projected working capital requirements, our Board of Directors, pursuant to their resolution dated July 12, 2023, has approved the expected working capital requirements for Fiscals 2024 and 2025 and the proposed funding of such working capital requirements are stated below:

(₹ in million)

Particulars	As at March 31, 2024 (Projected)	As at March 31, 2025 (Projected)
Current Assets		
Inventories		
- Raw Materials	429.25	580.52
- Stock in Process	200.56	266.05
- Finished Goods	266.79	354.80
Trade Receivables	822.33	1112.30
Cash and Bank Balances	59.89	66.19
Other Current Assets	452.05	574.64
Total Current Assets (A)	**2,230.88**	**2,954.50**
Current Liabilities		
Trade Payables	354.02	454.30
Advance from Customers	134.58	181.56
Other Current Liabilities and Provisions	130.63	194.32
Total Current Liabilities (B)	**619.23**	**830.17**
Total Working Capital Requirement (C= A-B)	**1,611.64**	**2,124.33**
(Funding Pattern (D)		
Working Capital Loans from Banks	-	-
Internal Accruals and Net Worth	1,071.64	1,824.33
Amount proposed to be utilized from Net Proceeds	**540.00**	**300.00**

**Net Worth of our Company as on March 31, 2023 is ₹ 1,141.87 million, as per the Audited Standalone Financial Statements*

Pursuant to its certificate dated July 12, 2023, Statutory Auditors of our Company M/s. Shweta Jain & Co., Chartered Accountants, has confirmed the working capital estimates and working capital projections.

Assumptions for Holding Levels

The following table sets forth the details of the holding period (with days rounded to the nearest) considered for our Company for the years/ periods mentioned below:

(in days)

Particulars	Basis	Fiscal 2021 (Actual)	Fiscal 2022 (Actual)	Fiscal 2023 (Actual)	Fiscal 2024 (Projected)	Fiscal 2025 (Projected)
(A) Current Assets						
Raw Material Inventory	Cost of Material Consumed	77	50	46	62	63
WIP Inventory	Cost of Goods Sold	39	17	63	31	30
Finished Goods Inventory	Cost of Goods Sold	17	17	7	41	41
Trade Receivables	Revenue from Operations	86	80	91	79	79
(B) Current Liabilities						
Trade Payables	Cost of Material Consumed	156	80	71	51	50
Advance from Customers	Revenue from Operations	9	14	06	13	13

The above details of holding levels as well as projections has been certified by Statutory Auditor of our Company M/s Shweta Jain & Co., & Co., Chartered Accountants, through their certificate dated July 12, 2023.

Justification for "Holding Period" levels derived from our Audited Standalone Financial Statements

The justifications for the holding levels mentioned in the table above are provided below:

Particulars	No of days
Current Assets	
Raw Material Inventory	We import majority of our specialised steel coils from outside India while our other raw materials such as wires and fittings are procured indigenously. Coils constitute the majority of our raw materials. Historically, our average RM days have been at around 58 days of consumption. As we grow further and venture into new materials and product categories, we intend to maintain raw materials on slight higher side to be able to maintain sufficient supplies for the intended purposes and hence assumed raw materials days of 62 and 63 days for Fiscal 2024 and 2025 respectively. For further details, please refer the chapter titled "*Our Business*" on page 152 of this Prospectus.
WIP Inventory	Historically, our average WIP days have been at around 40 days of COGS. As we grow further, we have assumed to maintain 31 and 30 days of COGS as WIP inventory for Fiscal 2024 and 2025 respectively..
Finished Goods Inventory	For Fiscal 2023, our finished goods are at 7 days of COGS. We believe that as we commercialise and scale up our new products and pipeline, we would be required to maintain slight higher inventories of finished products and hence assumed 41 days each of finished goods inventory for Fiscal 2024 and 2025.
Trade Receivables	For Fiscal 2023, our trade receivables are at 91 days of revenue from operations. We have assumed 79 and 79 days of trade receivables for Fiscal 2024 and 2025 respectively.
Current Liabilities	

Particulars	No of days
Trade Payables	For Fiscal 2022 and 2023, our trade payables days have been at 80 and 71 days of consumption respectively. Going forward, as we grow our operations and have better liquidity through utilising the net proceeds for our working capital purposes, we intend to maintain trade payables days of 51 and 50 days of consumption for Fiscal 2024 and 2025 respectively.
Advance from Customers	We receive advances from many of our customers across various stages of the order. Historically, our average customer advance days have been at around 10 days of revenue from operations. On the same lines, we have assumed customer advances levels of 13 days each for both Fiscal 2024 and 2025.

As certified by Statutory Auditors of our Company M/s. Shweta Jain & Co., Chartered Accountants, pursuant to their certificate dated July 12, 2023.

Key factors contributing to our Projected Working Capital Requirements

We believe that our projected inventories are result of two factors i.e. our historical inventories trends and our conservative approach in assuming inventories due to supply chain related disruptions we are facing as on date. Additionally, we have assumed quick payments to our trade payables going forward leading to lower holding periods for trade payables. Our inventories for Fiscal March 31, 2023, March 31, 2022 and March 31, 2021 is Rs. 560.07 million, Rs. 358.22 million and Rs.343.20 million which represents as a % of total current assets as 36.26%, 27.78% and 29.73%, respectively. We have to maintain adequate inventories of raw materials, stores, spares & consumables, work-in-progress and finished goods to meet our day to day requirements and avoid situations like stock-outs. This is in line with our strategy to obtain better payment terms from our vendors particularly our import vendors, since majority of our raw material requirements are fulfilled through imports. The increase in projected mainly on account of reduction in trade payable holding period from 71 days in Fiscal 2023 to 51 days and 50 days respectively in Fiscal 2024 and 2025 each. On an overall basis, our inventory days (Raw Material, Work in Progress and Finished Goods) were 116 days in Fiscal 2023 which are projected to grow to 134 days each for Fiscal 2024 and 2025 respectively.

Following is the monthly revenue achieved in the month of March and April in (2023 vs 2022):

₹ in million	April 2023	April 2022	March 2023	March 2022
Revenue from operations	253.06	202.31	295.07	216.38
Growth M-o-M	25.09%		36.37%	

For further details, please refer to the chapter titled "Risk Factors" beginning on page 37 of this Prospectus..

3. General Corporate Purposes and Unidentified Inorganic Acquisitions

We propose to deploy the balance Net Proceeds, aggregating to ₹ 155.27 million, towards general corporate purposes and unidentified inorganic acquisitions subject to such utilisation not exceeding 35% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. Further, the amount to be utilised for general corporate purposes alone shall not exceed 25% of the Net Proceeds. The Net Proceeds will first be utilized towards Objects as set out above.

Rationale for acquisitions in future

Some of the selection criteria that we may consider when evaluating strategic acquisitions include:

- expertise in the domain we operate in or wish to expand into;
- strategic fit to our existing business or serving connected extensions;
- new customers / end use industries that we can serve with our existing and future capabilities;
- newer technology infrastructure, service / product offerings, and advanced personnel including ones which plugin gaps in our existing ecosystem/value chain;
- enhance our geographical reach; and
- strengthen market share in existing markets;

We will from time to time undertake potential acquisitions and/ or investments in line with our business objectives and overall expansion strategies, with a view to augment our growth by acquiring companies with resilient manufacturing capabilities, expand our product offerings, enhance our geographical presence. We intend to utilise the above-stated portion of the Net Proceeds towards our strategic acquisitions and/or investments. The proposed inorganic acquisitions shall be undertaken in accordance with the applicable laws, including the Companies Act, FEMA and the regulations notified thereunder, as the case may be.

The amount of Net Proceeds to be used for each individual acquisition and/ or investments will be based on our management's decision and may not be the total value or cost of any such investments, but is expected to provide us with sufficient financial leverage to pursue such investments. The actual deployment of funds will also depend on a number of factors, including the timing, nature, size and number of acquisitions undertaken in a particular period, as well as general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential acquisitions, i.e., whether they will be directly done by our Company or through investments in our Subsidiary in the form of equity, debt or any other instrument or combination thereof, or whether these will be in the nature of asset acquisitions or joint ventures. Acquisitions and inorganic growth initiatives may be undertaken as share-based transactions, including share swaps, or a combination thereof. At this stage, our Company cannot identify any acquisition targets and whether the form of investment will be cash, equity, debt or any other instrument or combinations thereof.

General corporate purposes

Our Company intends to deploy the Net Proceeds, for general corporate purposes, subject to above mentioned limits, as may be approved by the Board of Directors of our Company or a duly constituted committee thereof, including but not restricted to, the following:

a) brand building and strengthening of marketing activities;
b) repayment and/ or prepayment of additional outstanding borrowings of our Subsidiary that may be availed in the future;
c) meeting ongoing general corporate exigencies and contingencies;
d) capital expenditure;
e) general expenses of our Company;
f) payment of commission and/or fees to any consultants;
g) any other purpose as permitted under applicable laws

The quantum of utilization of funds and deployment thereof towards any or all of the above purposes is determined by our Board of Directors based on the permissible amount actually available under the head "*General Corporate Purposes*" and the business requirements of our Company, from time to time in compliance with applicable laws. We, in accordance with the approved policies of our Board of Directors, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

Offer Related Expenses

Other than (i) the listing fees, stamp duty payable on issue of Equity Shares pursuant to Fresh Issue and audit fees of statutory auditors (to the extent not attributable to the Offer), which shall be solely borne by our Company; and (ii) fees and expenses for legal counsel to the Promoter Selling Shareholder, if any, which shall be solely borne by the respective Promoter Selling Shareholder, all costs, fees and expenses with respect to the Offer (including all applicable taxes except securities transaction tax, which shall be solely borne by the respective Promoter Selling Shareholder), shall be shared by our Company and the Promoter Selling Shareholder, on a pro rata basis, in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by each of the Promoter Selling Shareholder through the Offer for Sale. All the expenses relating to the Offer shall be paid by our Company in the first instance and upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, each Promoter Selling Shareholder agrees that it shall, severally and not jointly, reimburse our Company for any expenses in relation to the Offer paid by our Company on behalf of the respective Promoter Selling Shareholder and each Promoter Selling Shareholder authorises our Company to deduct from the proceeds of the Offer for Sale from the Offer, expenses of the Offer required to be borne by such Promoter Selling Shareholder in proportion to the Offered Shares, in accordance with Applicable Law.

The total expenses of the Offer are estimated to be approximately 304.73 million. The expenses of the Offer include, amongst others, listing fees, selling commission, fees payable to the BRLM, fees payable to legal counsels, fees payable to the Registrar to the Offer, Bankers to the Offer, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing and trading of the Equity Shares on the Stock Exchanges.

The estimated Offer expenses are as under:

(₹ in million)

Expenses*	Estimated expenses	As a % of the total estimated Offer expenses	As a % of the total offer size
Fees payable to Lead Manager (inclusive of underwriting)	165.14	53.77	4.70
Selling commission/ syndicate fees	27.65	9.00	0.79
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage underwriting and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(1)(2)(3)(4)	11.06	3.60	0.32
Fees payable to the Registrar to the Offer	4.81	1.57	0.14
Fees payable to consultants to offer	3.44	1.12	0.10
Others including but not limited to: (i) Listing fees, SEBI filing fees, upload fees, BSE and SE processing fees, book building software fees and other regulatory expenses; (ii) (Printing and distribution of stationery; (iii) (Advertising and marketing expenses; (iv) (Fees payable to legal counsel; (v) Fees payable to other advisors to the Offer, including but not limited to Statutory Auditors, Independent Chartered Accountant, industry service provider and Independent Chartered Engineer; and (vi) (Miscellaneous	92.64	45.06	2.64
Total estimated Offer expenses	**304.73**	100.00	8.68

Offer expenses include goods and services tax, where applicable.
Offer expenses are estimates and are subject to change.

(1) ***Selling commission payable to the SCSBs*** *on the portion for Retail Individual Bidders, Holding Company Eligible Shareholders Reservation and Non-Institutional Bidders are directly procured by the SCSBs, would be as follows:*

Portion for Holding Company Eligible Shareholders Reservation	*0.30% of the Amount Allotted* (plus applicable taxes*
Portion for Retail Individual Bidders	*0.30% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*0.20% of the Amount Allotted* (plus applicable taxes)*

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

No uploading/processing fees shall be payable by our Company and the selling shareholders to the SCSBs on the Bid cum Applications Forms directly procured by them. The 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.*

(2) ***Processing fees payable to the SCSBs** on the portion for Retail Individual Bidder, Holding Company Eligible Shareholders Reservation and Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:*

Portion for RIB, Holding Company Eligible Shareholders Reservation, Non-Institutional Bidders	*₹ 10 per valid application (plus applicable taxes)*

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹ 0.5 million (plus applicable taxes) and in case if the total processing fees exceeds ₹ 0.5 million (plus applicable taxes) then processing fees will be paid on pro-rata basis.The payment of selling commission payable to the sub-brokers/ agents of Sub-Syndicate Members are to be handled directly by the respective Sub-Syndicate Member.

(3) *The processing fees for applications made by Retail Individual Bidders, Holding Company Eligible Shareholders Reservation and Non Institutional Investors using the UPI Mechanism would be as follows*:

Members of the Syndicate / RTAs / CDPs (uploading charges)	*₹ 30 per valid application (plus applicable taxes)*
Sponsor bank -Axis Bank Limited	₹ Nil per valid Bid cum Application Form* (plus applicable taxes) The Sponsor bank shall be responsible for making payments to the third parties such as remitter company, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws
Sponsor bank –Kotak Bank Limited	₹ Nil per valid Bid cum Application Form* (plus applicable taxes) The Sponsor bank shall be responsible for making payments to the third parties such as remitter company, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws

*For each valid application by respective Sponsor Bank

Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees for applications made by RIBs (up to ₹ 200,000), Non-Institutional Bidders (for an amount more than ₹ 200,000 and up to ₹ 500,000) using the UPI Mechanism and Holding Company Eligible Shareholders Reservation (s) using the UPI Mechanism would not exceed ₹2.0 million (plus applicable taxes) and in caseif the total uploading charges/ processing fees exceeds ₹ 2.0 million (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis (plus applicable taxes).

(4) ***Selling Commission on portion for Retail Individual Bidders and portion of Holding Company Eligible Shareholders (up to ₹ 2,00,000) and Non-Institutional Bidders which are procured by Members of the Syndicate (including their sub-Syndicate Members), RTAs, CRTAs and CDPs or for using 3- in-1 type accounts** - linked online trading, demat and bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:*

Portion for Holding Company Eligible Shareholders Reservation	*0.30% of the Amount Allotted* (plus applicable taxes*
Portion for Retail Individual Bidders	*0.30% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*0.20% of the Amount Allotted* (plus applicable taxes)*

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

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to

SCSB for blocking or using 3-in- 1 accounts, would be as follows: ₹10/- plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs

Bidding charges payable to the members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs/CDPs on the portion for RIBs, Holding Company Eligible Shareholder and Non-Institutional Bidders which aredirectly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing/ blocking, would be as follows:

Portion for Retail Individual Bidders*	₹ 10/- per valid application (plus applicable taxes)
Portion for Holding Company Eligible Shareholders Reservation Portion *	₹ 10/- per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹ 10/- per valid application (plus applicable taxes)

** Based on valid applications*

Notwithstanding anything contained above the total uploading charges/Bidding charges payable under this clause will not exceed Rs. 2.0 million (plus applicable taxes) and in case if the total uploading charges exceeds Rs 2.0 million (plus applicable taxes) then uploading charge/bidding charges will be paid on pro-rata basis.

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

The selling commission and bidding charges payable to Registered Brokers, the RTAs, CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE

We hereby undertake to ensure that the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DlL2/CIR/P/2021/2480/1/M dated March 16, 2021.

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.

Bridge Financing

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

Interim Use of Net proceeds

Pending utilization of the Offer Proceeds for the Objects of the Offer described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Offer as described above, it shall not use the funds from the Offer Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

Monitoring Utilization of Funds

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company has appointed ICRA Limited as the Monitoring Agency for monitoring the utilisation of net proceeds, prior to the filing of the Prospectus, as our size of the Offer (excluding the Offer for Sale by the Promoter Selling Shareholder) exceeds ₹ 1,000.00 million, in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds. 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 the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised if any, of such currently unutilised

Net Proceeds. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds. Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our directors report, after placing the same before the Audit Committee. We will disclose the utilisation of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilised clearly specifying the purpose for which such Net Proceeds have been utilised. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the Objects of the Offer without being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoter or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

Appraising agency

None of the objects of the Fresh Offer for which the Net Proceeds will be utilized have been appraised by any bank/ financial institution/any other agency.

Other Confirmations

The Net Proceeds from the Fresh Offer, as utilized for repayment and/ or prepayment of borrowings/loans, will not be directly/ indirectly routed to our Promoter, members of Promoter Group, person in control of our Company, our Directors, our Group Company and our associates, if any. There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoter, Promoter Group, Directors and/or Key Managerial Personnel.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price is determined by our Company and Promoter Selling Shareholder in consultation with the BRLM, on the basis of market demand for the Equity shares offered in the offer through the Book Building Process and the quantitative and qualitative factors as described below .The financial information included herein is derived from our Restated Financial Information. Investors should refer to '*Risk Factors*', '*Our Business'*, '*Restated Consolidated Financial Information*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on pages 37, 152, 222, and 228 respectively of this Prospectus, to have a more informed view before making an investment decision.

QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the Offer Price are:

- Global flexible flow solutions provider operating in addressable market, catering to diverse industry segment.
- Export oriented business model as our revenue from operations, 80.60%, 84.53%, 80.90% was derived from exports for Fiscals ended 2023, 2022 and 2021 respectively.
- Primary manufacturer of flexible flow solutions (Make in India with no listed peers with advance manufacturing facility and R&D infrastructure) with an installed capacity of 11 million meters per annum spread across 3,59,528 equipped with advanced machines and accredited with various certifications and accreditations.
- High entry and exit barriers due to rigorous product approval systems with stringent design, engineering and use specifications, and significant time and expense on part of the OEMs.
- Experienced and dedicated senior team across key functions as our professional team has experience in production, R&D, quality control and sales & marketing experience and know-how in the industry

For further details, refer to heading "*Our Competitive Strengths*" under the chapter titled "*Our Business*" on page 152 of this Prospectus

QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the Restated Consolidated Financial Information of the Company for the Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with Ind AS, the Companies Act, 2013 and restated in accordance with SEBI ICDR Regulations. For details, refer section titled "*Financial Information*" on page 222 of this Prospectus.

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

(a) Basic and Diluted Earnings per Share ("EPS") at face value of ₹2 each, as adjusted for changes in capital

As per Restated Consolidated Financial Information:

For the Year/Period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2023	2.64	2.64	3
March 31, 2022	2.41	2.41	2
March 31, 2021	0.53	0.53	1
Weighted average	2.21	2.21	

Note:

1. *Earnings per share calculation is in accordance with Ind AS - 33 (earnings per share) prescribed by the Companies (Indian Accounting Standards) Rules, 2015.*
2. *The ratios have been computed as below:*

-Basic earnings per share (₹) = Restated net profit / (loss) available to equity shareholders / weighted average number of Equity Shares during the year.

-Diluted earnings per share (₹) = Restated net profit / (loss) available to equity shareholders / weighted average number of diluted Equity Shares during the year.

3. *Pursuant to a resolution passed at the general meeting of shareholders dated February 15, 2023, our Company has approved sub-division of 1 (one) Equity Share of face value of ₹ 10/- each into 5 (Five) Equity Shares of face value of ₹2/- each. Accordingly, the issued, subscribed and paid-up share capital of the Company was subdivided from 2,28,64,074 equity shares of face value of ₹ 10 each to 11,43,20,370 equity shares of face value of ₹ 2 each. The impact of sub-division of shares is retrospectively considered for the computation of earnings share as per the requirement / principles of Ind AS 33, as applicable.*
4. *The weighted average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight. Weights applied have been determined by the management of our Company.*
5. *The figures disclosed above are derived from the Restated Consolidated Financial Information of our Company.*

(b) Price to Earnings (P/E) ratio in relation to Price band ₹ 102 to ₹ 108 per Equity Share

Particulars	P/E Floor Price (number of times)	P/E Cap Price (number of times)
Based on basic EPS as per the Restated Consolidated Financial Information for the financial year ended March 31, 2023	38.64	40.91
Based on Diluted EPS as per the Restated Consolidated Financial Information for the financial year ended March 31, 2023	38.64	40.91

(c) Industry P/E ratio

There are no listed companies in India that are engaged in a business similar to that of our Company. Therefore, it is not possible to provide an industry comparison in relation to our Company

(d) Return on Net worth (RoNW)

As per Restated Consolidated Financial Information:

Year/Period ended	RoNW (%)	Weight
March 31, 2023	26.43%	3
March 31, 2022	31.90%	2
March 31, 2021	10.24%	1
Weighted average		25.56%

Notes:

1. *Return on Net Worth (%) = Restated net profit/(loss) after tax attributable to equity shareholders of our Company / restated net worth for Equity Shareholders of our Company.*
2. *Net worth means the aggregate value of the paid-up share capital and other equity..*
3. *The weighted average return on net worth is a product of return on net worth and respective assigned weight dividing the resultant by total aggregate weight. Weights applied have been determined by the management of our Company.*
4. *The figures disclosed above are derived from the Restated Consolidated Financial Information of our Company.*

(e) Net Asset Value (NAV) per Equity Share of Face Value of ₹ 2 each

As per Restated Consolidated Financial Information:

Particulars	₹ per Equity Share
As on March 31, 2023	9.98
As on March 31, 2022	7.54
As on March 31, 2021	5.14
After Offer	
- at floor price	20.65
- at Cap price	21.35
Offer Price per equity share	108.00

Notes:

1. *Net Asset Value per Share is calculated as net worth attributable to equity shareholders as at the end of Fiscal year divided by total number of equity shares outstanding as on the last day of the year / period.*
2. *"Net Worth attributable to the equity shareholders" means the aggregate value of the paid-up share capital and other equity.*
3. *Pursuant to a resolution passed at the general meeting of shareholders dated February 15, 2023, our Company has approved sub-division of 1 (one) Equity Share of face value of ₹ 10/- each into 5 (Five) Equity Shares of face value of ₹ 2/- each. Accordingly, the issued, subscribed and paid-up share capital of the Company was subdivided from 2,28,64,074 equity shares of face value of ₹ 10 each to 11,43,20,370 equity shares of face value of ₹ 2 each. The impact of sub-division of shares is retrospectively considered for the computation of net asset value per share as per the requirement / principles of Ind AS 33, as applicable.*
4. *Offer Price per Equity Share is determined on conclusion of the Book Building Process.*

(f) Key Performance Indicators

The table below sets forth the details of Key Performance Indicators that our Company considers to have a bearing for arriving at the basis for Offer Price. The key financial and operational metrics set forth below, have been approved and verified and taken on record by the Audit Committee pursuant to meeting dated August 11, 2023. Our Company has not disclosed any KPIs during the three years preceding the date of Prospectus to its investors.

The KPIs disclosed below have been used historically by our Company to understand and analyze the operational and financial performance, which helps our Company in analyzing the growth of various verticals in comparison to our Company's listed peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Offer Price which have been disclosed below. Additionally, the KPIs have been certified vide certificate dated August 11, 2023, 2023 issued by M/s. Shweta Jain & Co., who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The certificate dated August 11, 2023 issued by M/s. Shweta Jain & Co., Chartered Accountants, has been included in '*Material Contracts and Documents for Inspection – Material Documents*' on page 382.

The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational KPIs, to make an assessment of our Company's performances and make an informed decision.

A list of our KPIs for the Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021 is set out below:

Explanation for the Key Performance Indicators

Particulars	For Financial Year ended March 31,		
	2023	2022	2021
Revenue from operations (₹ in million)	2,694.61	2,408.00	1,447.74
Total number of customers served (Nos.)	723	606	538
Total capacity utilisation (%)	83.16%	90.41%	71.01%
Exports revenue as % of revenue from operations (%)	80.60%	84.53%	80.90%
Foreign currency gain / (loss) (₹ in million)	53.13	32.37	19.21

Particulars	For Financial Year ended March 31,		
	2023	2022	2021
Cost of goods sold as % of revenue from operations (%)	63.11%	64.81%	64.62%
EBITDA (₹ in million)	540.33	466.92	223.35
EBIT (₹ in million)	488.14	425.08	185.57
EBITDA margin (%)	20.05%	19.39%	15.43%
Profit after tax for the period (₹ in million)	301.52	275.06	60.11
Net profit margin (%)	11.19%	11.41%	4.15%
Net worth (₹ in million)	1140.93	862.23	587.17
Return on capital employed (%)	31.91%	36.29%	17.13%
Return on equity (%)	26.43%	31.90%	10.24%
Debt to equity ratio (times)	0.39	0.45	0.90
Fixed asset turnover ratio (times)	4.85	5.26	3.37

As certified by Ms Shweta Jain & Co., Chartered Accountants through their certificate dated August 11, 2023.

Sr. No.	Key Performance Indicator	Description and Rationale
1	Revenue from operations	Revenue from operations include revenue from sales of products in domestic and exports markets, revenue from sale of scrap, gain on foreign exchange fluctuation and other operating revenue
2	Total number of customers served	Total number of unique customers served during the period from sale of products
3	Capacity utilisation	Total production of all types of hoses, braiding and assemblies during the period divided by the installed capacity during that period
4	Exports revenue as % of revenue from operations	Total revenue from exports as a % of revenue from operations during the period. Historically, majority of our revenue from operations has been derived from exports hence this is an important metric.
5	Foreign currency gain / (loss)	Net gain on foreign currency exchange rate fluctuation. Since majority of our revenue is derived in foreign currencies, this is an important metric for our internal reporting purposes.
6	Cost of goods sold as % of revenue from operations	Sum of cost of material consumed and changes in inventories of work in progress & finished goods as a % of revenue from operations. This provides information on the gross margin generated by our Company
7	EBITDA	Earnings before interest, tax, depreciation and amortization and is calculated as the restated profit for the period or year plus tax expense, finance cost, depreciation and amortization expenses less other income and excluding exceptional items. EBITDA provides information regarding operational profitability and efficiency of our Company
8	EBIT	Earnings before interest and tax is calculated as the restated profit for the period or year plus tax expense and finance cost less other income and excluding exceptional items.
9	EBITDA margin	Percentage of earnings before interest, tax, depreciation and amortization and is calculated as the restated profit for the period or year plus tax expense, finance cost, depreciation and amortization expenses excluding exceptional items. This metric helps in benchmarking the operating profitability against the historical performance of our Company
10	Profit after tax for the period	The amount that remains after a company has paid off all of its operating and non-operating expenses, other liabilities and taxes. It provides information regarding the profitability of our Company.
11	Net profit margin	Percentage of the amount that remains after a company has paid off all of its operating and non-operating expenses, other liabilities and taxes. It provides information regarding the profitability of our Company.

Sr. No.	Key Performance Indicator	Description and Rationale
12	Net worth	Calculated as total of share capital and other equity. It provides information on the book value of the owners' equity in the business
13	Return on capital employed	Return on capital employed is calculated using two components, i.e. earnings before interest and tax divided by capital employed. Capital employed is calculated by sum of net worth and total debt less cash and cash equivalents freely available. This provides us information on efficiency of our capital deployment and utilisation.
14	Return on equity	Return on Equity is calculated on the basis of net profit after tax divided by shareholder's equity and is calculated by profit after tax divided by our net worth (share capital and other equity). It indicates our Company's ability to turn equity investments into profits
15	Debt to equity ratio	Debt to equity ratio is calculated by dividing our Company's debt by shareholders' equity (as a percentage). This metric is a measurement of our Company's financial leverage and provides us information on our current capital structure and helps us in targeting an optimized capital structure
16	Fixed asset turnover ratio	Fixed asset turnover ratio is calculated as revenue from operations divided by property, plant and equipment

The above KPIs of our Company have also been disclosed, along with other key financial and operating metrics, in '*Our Business*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on pages 124 and 226, respectively. All such KPIs have been defined consistently and precisely in '*Definitions and Abbreviations – Conventional and General Terms and Abbreviations*' on page 1.

Subject to applicable laws, the Company confirms that it shall continue to disclose all the key performance indicators included in this "*Basis for Offer Price*" section, on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration that is at least the later of (i) one year after the date of listing of the Equity Shares on the Stock Exchanges; or (ii) till the utilization of the Net Proceeds as disclosed under "*Objects of the Offer*" on page 100.

(g) Comparison of Accounting Ratios with Listed Industry Companies:

There are no listed companies in India that are engaged in a business similar to that of our Company accordingly it is not possible to provide an industry comparison in relation to our Company in India.

However, globally, there are listed companies that are engaged in a business similar to that of our Company. A comparison of accounting ratios with the global listed companies has been provided below:

Accounting Ratio / Metrics	Aeroflex Industries Limited	Parker Hannifin Corporation	Senior PLC
Country	India	United States	United Kingdom
Currency of Reporting	INR (₹)	USD	GBP
Unit	Million except per share data and ratios	Million except per share data and ratios	Million except per share data and ratios
Last Reported Full Financial Year	March 31, 2023	June 30, 2023	December 31, 2022
Listed / To be listed at	BSE and NSE	New York Stock Exchange	London Stock Exchange
CMP per share	NA	424.95	1.72
Basic Earnings per share	2.64	16.23	0.05
Diluted Earnings per share	2.64	16.04	0.05
Return on Net Worth (%)	26.43%	20.15%	4.49%
PE Ratio – Basic EPS	40.91	26.18	35.35
PE Ratio – Diluted EPS	40.91	26.49	36.32
NAV per share	9.98	80.58	1.07

Accounting Ratio / Metrics	Aeroflex Industries Limited	Parker Hannifin Corporation	Senior PLC
Face Value per share	2.00	0.50	0.10
Total Income	2694.78	19,065.19	848.40
Market Capitalisation	13,966.60	54,519.39	720.56

Notes:

1. *Global peers presented above may not be exactly comparable, however, information has been provided for broad comparison.*
2. *Global peers follow different GAAP than our Company and hence various line items reported above may have been derived from GAAP which may be different from GAAP followed by our Company for restatement of financials.*
3. *Price data has been taken from the website of New York Stock Exchange ("**NYSE**") and London Stock Exchange ("**LSE**") as the closing price of the respective scrips as on August 7, 2023.*
4. *All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from their annual reports for the year ended June 30, 2023 for Parker Hannifin Corporation and December 31, 2022 for Senior PLC.*
5. *P / E Ratio for industry peers has been computed based on the closing market price of equity shares on NYSE / LSE on August 7, 2023 divided by the Basic and Diluted EPS for the year ended June 30, 2023 for Parker Hannifin Corporation and December 31, 2022 for Senior PLC.*
6. *Return on Net Worth (%) for industry peers has been calculated as Profit for the year ended June 30, 2023 for Parker Hannifin Corporation and December, 2022 for Senior PLC., divided by Net worth as at June 30, 2023 for Parker Hannifin Corporation and December 31, 2022 for Senior PLC..*
7. *Net Asset Value per Equity Share for industry peers is calculated as total equity divided by total no. of equity shares outstanding as of June 30, 2023 for Parker Hannifin Corporation and December 31, 2022 for Senior PLC..*
8. *Pursuant to a resolution passed at the general meeting of shareholders dated February 15, 2023, our Company has approved sub-division of 1 (one) Equity Share of face value ₹ 10/- each into 5 (Five) Equity Shares of face value ₹ 2/- each. Accordingly, the issued, subscribed and paid-up capital of the Company was subdivided from 2,28,64,074 equity shares of face value of ₹10 each to 11,43,20,370 equity shares of face value of ₹ 2 each. The impact of split of shares is retrospectively considered for the computation of earnings share as per the requirement / principles of Ind AS 33, as applicable.*
9. *P/E Ratio has been computed based on the Offer Price (₹ 108 per Share) divided by the Diluted EPS as on March 31, 2023.*

(h) Weighted average cost of acquisition

A. The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities)

There has been no issuance of Equity Shares or convertible securities, excluding the shares issued under the ESOP 2022 and issuance of bonus shares, during the 18 months preceding the date of this Prospectus, 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) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

B. The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities)

There have been secondary sale where the Promoter Selling Shareholder during the 18 months preceding the date of this Prospectus, sold shares aggregating to 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) and excluding employee stock options granted but not vested), in a multiple transactions combined together over a span of rolling 30 days. Except as mentioned below there are no acquisitions of Equity Shares or any convertible securities, where the Promoter Selling Shareholder, members of the Promoter Group, or Shareholder(s) having the right to nominate director(s) on the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this 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-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days :

Date of share purchase understanding/agreement	Date of Transfer	Number of Equity Shares of face value ₹2/- each	Name of transferee/Acquirer	Transfer price per Equity Share (₹)	Nature of Consideration	Nature of transaction	Consideration Amt. In million
May 10, 2023	May 15, 2023	2,315,935	Ashish Kacholia	87.56	Cash	Transfer	202.79
May 10, 2023	May 15, 2023	2,315,935	Bengal Finance and Investment Private Limited	87.56	Cash	Transfer	202.79
May 22, 2023	June 13, 2023	28,552	Mitul Prafulbhai Mehta	87.56	Cash	Transfer	2.50
May 22, 2023	June 13, 2023	28,552	Samedh Trinity Partners	87.56	Cash	Transfer	2.50
June 06, 2023	June 13, 2023	12,98,126	Jagdish Master	87.56	Cash	Transfer	113.67
June 06, 2023	June 13, 2023	114,207	Shyamsundar Basudev Agarwal	87.56	Cash	Transfer	10.00
June 12, 2023	June 13, 2023	100,000	VPK Global Ventures Fund	87.56	Cash	Transfer	8.76
June 12, 2023	June 13, 2023	100,000	Rajnikkumar Sureshbhai Savaliya HUF	87.56	Cash	Transfer	8.76
June 09, 2023	June 13, 2023	1,137,650	Rosy Blue (India) Private Limited	87.56	Cash	Transfer	99.61
June 09, 2023	June 13, 2023	1,256,250	Carnelian Structural Shift Fund	87.56	Cash	Transfer	110.00
Total		**86,95,207**					**761.38**
Weighted average cost of acquisition per Equity Share							**Rs. 87.56**

C. Price per share based on the last five primary or secondary transactions

Since there are Secondary transactions to report to under (b), therefore, information based on last 5 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 of our Company, are a party to the transaction), not older than three years prior to the date of this Prospectus irrespective of the size of transactions, has not been computed.

(i) Weighted average cost of acquisition, floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor Price	Cap Price
(i) Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under ESOP 2018 and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than five per cent 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), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA#	NA	NA
(ii) Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where our Promoters or Promoter Group entities or Promoter Selling Shareholder or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than five per cent 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), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	87.56	*1.16*	*1.23*

#There were no primary transactions of Equity Shares of the Company during the 18 months preceding the date of filing of this Prospectus.

Justification for basis of Offer Price

(j) Explanation for Offer Price/Cap Price being 1.23 price of weighted average cost of acquisition of secondary transaction price of Equity Shares (set out in point 'B' above) along with the Company's KPI and financial ratios for the fiscals 2023, 2022 and 2021 and in view of the external factors which may have influenced the pricing of the Offer, if any.

Set out below is the explanation for Offer Price/Cap Price being 1.23 price of weighted average cost of acquisition of secondary transaction by our promoter selling shareholder price of Equity Shares (set out in point 'B' above) along with the Company's KPI and financial ratios for the fiscals 2023, 2022 and 2021 and in view of the external factors which may have influenced the pricing of the Offer.

1. We are manufacturers and suppliers of environment friendly metallic flexible flow solution products including braided hoses, unbraided hoses, solar hoses, gas hoses, vacuum hoses, braiding, interlock hoses, hose assemblies, lancing hose assemblies, jacketed hose assemblies, exhaust connectors, exhaust gas recirculation (EGR) tubes, expansion bellows, compensators and related end fittings collectively known as flexible flow solutions catering to global as well as domestic markets.We are into metallic flexible flow solutions made of SS. We have recently developed products made of bronze as well. Our products replace flow solutions made of rubber and polymers.

2. Our Promoter i.e. Sat Industries Limited, has track record of scaling up of multiple diverse businesses backed by acquisition led strategy. Since acquisition of our Company in 2018, our Promoter has been contributing significantly in determining our strategic direction and future growth path. Besides Aeroflex Industries Limited, our Promoter acquired Sah Polymers Limited in 2015 and Fibcorp Polyweave Private Limited in 2022. Sah Polymers Limited went public and got listed on BSE and NSE on January 12, 2023. Each of these businesses are led by respective CEOs / Management, under the supervision of the respective Board of Directors. Moreover, Sat Industries Ltd has made more

than 125 investments in start-ups across 30 sectors.

3. Our flexible flow solutions made with stainless steel corrugation conform to BS 6501 Part 1, ISO 10380 and PED CE and are manufactured as per type A, B, and C flexibility. We are a global flexible flow solutions company developing and manufacturing metallic flexible corrugated hoses, assemblies and fittings for diverse range of industrial sectors, which are used on an ongoing basis for efficient flow of varied types of materials and substances including liquid, air and solid from one point to another.

4. As on March 31, 2023, we had more than 1,700 Product SKUs (Stock Keeping Units) in our product portfolio.

5. Our diversified customer base comprises distributors, fabricators, MROs i.e. Maintenance Repair and Operations Companies, Original Equipment Manufacturers (OEMs) and companies operating in a wide range of industries. For the Fiscals March 31, 2023, 2022 and 2021, we served total 723, 606 and 538 customers out of which we served 217, 190 and 169 customers across 51, 49 and 43 countries respectively and 506 , 416 and 369 domestically.

6. Our revenue from operations comprises revenue from (i) sale of products; and (ii) other operating revenue. Sale of products comprises of sale of flexible flow solutions including hoses, assemblies and fittings and braiding in exports and domestic markets. Other operating revenue comprises of sale of scrap, gain on foreign exchange fluctuation and other operating income. Our revenue from operations increased by 11.90% to ₹ 2,694.61 million in Fiscal 2023 from ₹ 2,408 million in Fiscal 2022, primarily led by strong demand in our domestic markets where our revenue grew by 47.29% to ₹ 433.45 million in Fiscal 2023 from ₹ 294.28 million in Fiscal 2022. In domestic markets, we served total of 506 customers during Fiscal 2023 as against 416 customers during Fiscal 2022. Similarly, our revenue from exports market grew by 6.69% to ₹ 2171.80 million in Fiscal 2023 from ₹ 2035.59 million in Fiscal 2022. In exports markets, we served total of 217 customers during Fiscal 2023 as against 190 served during Fiscal 2022. Our revenue from operations grew at a CAGR of 36.43%, our EBITDA grew at a CAGR of 55.54% and our profit after tax grew at a CAGR of 123.97% between Fiscal 2021 and Fiscal 2023.

7. We developed 63 new products over Fiscal 2020 to Fiscal, 2023. For Fiscals March 31, 2023, March 31, 2022 and March 31, 2021 the revenue contribution from top 5 customers amounted to ₹649.50 million, ₹795.11 million and ₹466.08 million constituting 24.10%, 33.02% and 32.19% respectively.

8. Export oriented business model- For Fiscals 2023, 2022 and 2021 our Company's exports were ₹2,171.80 million, ₹2,035.59 million and ₹1,171.15 million which constituted 80.60%, 84.53%, and 80.90% of our revenue from operations respectively. For the Fiscal March 31, 2023, we exported our products to 51 countries.

The Offer Price of ₹108/- has been determined by our Company, in consultation with the BRLM, on the basis of the market demand from investors for the Equity Shares through the Book Building Process. Our Company in consultation with the BRLM, are of justified view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with '*Risk Factors*', '*Our Business*', '*Management Discussion and Analysis of Financial Condition and Revenue from Operations*' and '*Financial Information*' beginning on pages 37, 152, 228 and 222 respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the chapter titled '*Risk Factors*' beginning on page 37 and any other factors that may arise in the future and you may lose all or part of your investments.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*This study has been undertaken through extensive secondary research, which involves compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Dun & Bradstreet ("**Dun & Bradstreet**") and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain. Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Flexible Flow Solutions Market in India Report March 2023" prepared by Dun & Bradstreet issued March 29, 2023." (the "**Dun & Bradstreet**"), prepared exclusively for the Offer and released by Dun & Bradstreet, and commissioned and paid for by us for the purposes of confirming our understanding of the industry, exclusively in connection with the Offer. Dun & Bradstreet is an independent agency which has no relationship with our Company, our Promoter or any of our Directors or KMPs, or SMPs. The data included herein includes excerpts from the Dun & Bradstreet Report and may have been re-ordered by us for the purposes of presentation. There are no parts, material data or information (which may be relevant for the proposed Offer), that have been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Dun & Bradstreet Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Data from these sources may also not be comparable.*

*Dun & Bradstreet has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics, and research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged .Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on, this information. A copy of the **Dun & Bradstreet** Report is available on the website of our Company at www.aeroflexindia.com until the Bid/Offer Closing Date.*

Global Economic Scenario

After a healthy rebound in 2021, the global economy witnessed a stagflationary situation in 2022, as growth across the major countries moderated and inflation remains sticky at record-high levels in the face of aggressive monetary tightening around the world.

Real GDP growth	2021	2022Est.	2023P	2024P
World	**6.0%**	**3.4%**	**2.9%**	**3.1%**
India	8.7%	6.8%	6.1%	6.8%
China	8.1%	3.0%	5.2%	4.5%
Japan	1.7%	1.4%	1.8%	0.9%
USA	5.7%	2.0%	1.4%	1.0%
UK	7.4%	4.1%	-0.6%	0.9%
EU	5.2%	3.5%	0.7%	1.6%

Source: International Monetary Fund, January 2023 Outlook

Uncertainty related to food and energy supply emerged as major risk to stable governance, debt sustainability and business continuity across developed and emerging markets. The three economic heavyweights - the US, China, and the EU - continue to grapple with a host of challenges. Consequently, even fundamentally strong, export-oriented developing markets faced weak growth in 2022.

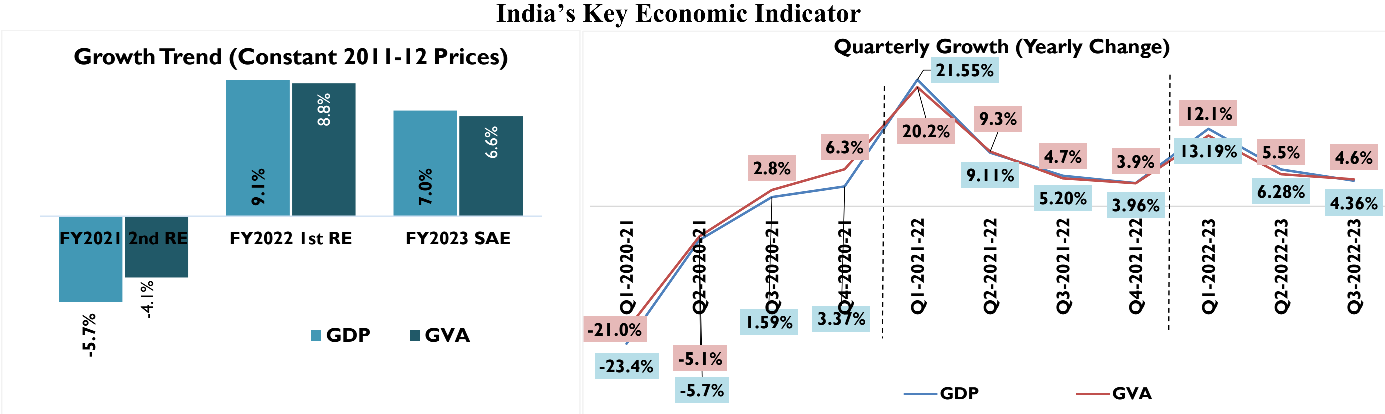
As the global economy continues to slowdown, central bankers are ramping down the pace of interest rate hikes, the policy playbook deployed in the two previous global recessions might not work this time. What complicates the job of central bankers are unusually tight labor markets, which translate into high demand pressures, and the fact that evidence of inflation reduction globally is still quite weak. However, the consensus points toward the fact that a global recession may not be upon us, but a global slowdown has been set in motion and businesses should remain vigilant and resilient.

Business especially with cross border linkages should consider two key points. The timing and intensity of this economic slowdown is likely to differ as the US is on a much better footing than the EU; and some developing markets in Asia, the Middle East and Latin America will outperform the US in coming months. Secondly, businesses cannot rely on the kind of policy support that was forthcoming in the last two global recessions (2008 and 2020). With higher interest rates, government debt is now costlier, hence fiscal support, too, will likely be limited or targeted. Businesses must thus critically assess the implications of the slowdown on their operations, their subsidiaries, or suppliers.

The first month of 2023 was quite eventful - Croatia joined the Eurozone as its 20th member, Brazil witnessed a mini-insurrection, India overtook China as the world's most populous nation, and the US hit its debt ceiling. Before this quarter ends, the conflict between Russia and Ukraine will have crossed its one-year mark, the Bank of Japan would have selected a successor to its longest-serving governor, and President Xi would have been confirmed as China's top leader for another term. Some of these events may have profound implications over the coming decades, while the others may pose the biggest risk to the global economy in 2023.

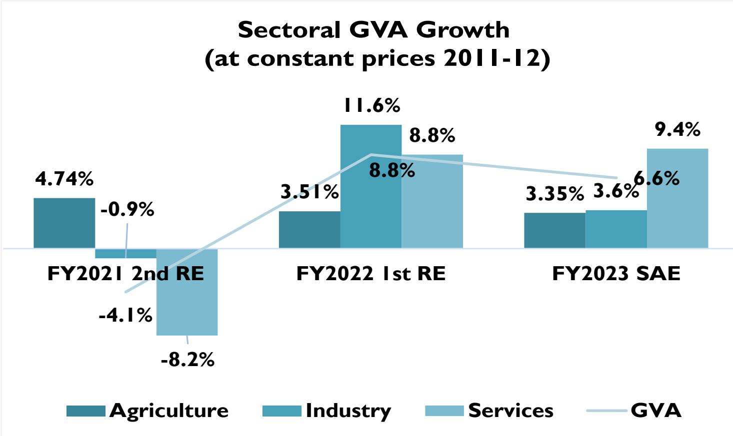
Given where inflation levels are currently hovering (and the fact that core pricing pressures have not yet abated), more will have to be done to weather the storm. This is reflected in central bank commentaries. We expect central banks, including the US Fed, to continue hiking rates in the upcoming meetings of Q1 2023, albeit at a slower pace. Whether this will result in a global recession is not even the most important question at this point. What businesses should know is that we are heading toward a synchronized global economic slowdown, and that they should prepare for a possible recession in developed markets. Further, the logic that a central-bank-engineered recession (if at all) should be mild, might hold true for the US, but in Europe, the course that the ongoing Russia-Ukraine war takes may continue to impact outcomes. Moreover, milder than usual weather has played an important role in easing pressure on energy prices in Europe.

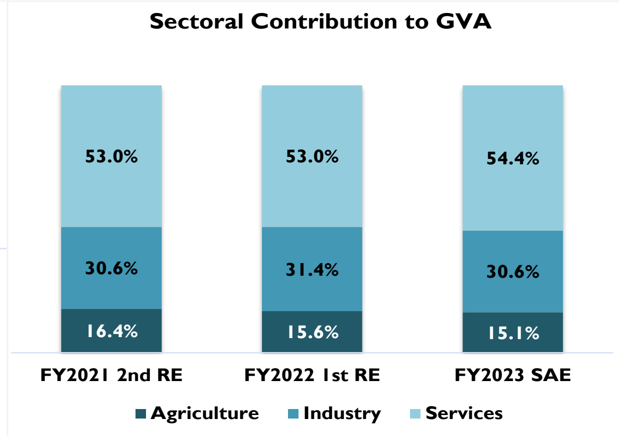
India's Key Economic Indicator



Sources: MOSPI

As per MOSPI second advance estimate (SAE), India's GDP in FY 2023 is expected to slow down to 7% from 9.1% in the previous fiscal on the back of slowing domestic as well as external demand owing to series of interest rate hikes globally to tackle high inflation. The year-on-year moderation in growth rate is also partly due to a fading impact of pandemic-induced base effects which had contributed towards higher growth in FY 2022. On quarterly basis, the country growth moderated in Q2 and Q3 of FY 2023 which highlights impact of slowing economy on the back of monetary tightening. During Q3 FY 2023, the country's GDP grew by 4.36% against 6.28% y-o-y increase in the corresponding quarter last fiscal.



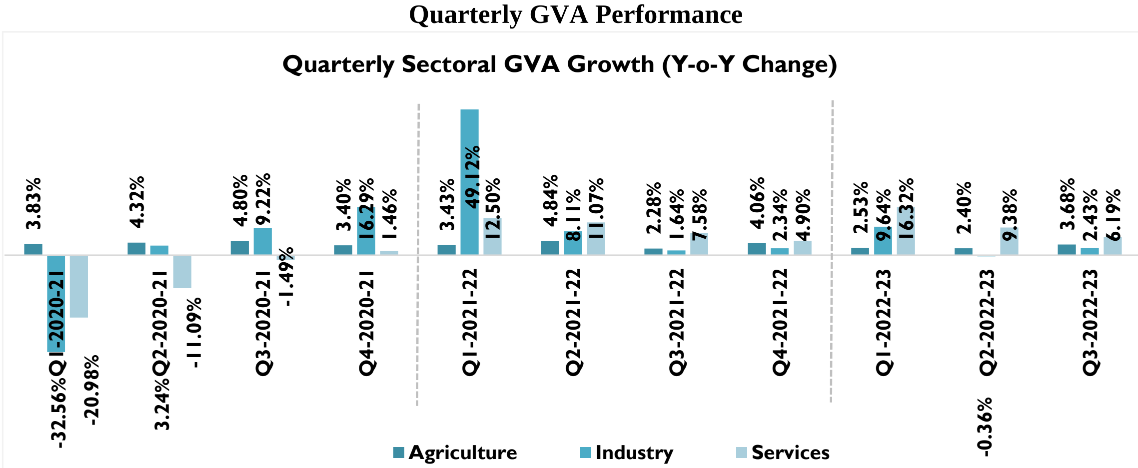


Sources: MOSPI

Sectoral analysis of GVA reveals growth tapered sharply in industrial sector which is estimated to grow by just 3.6% against 11.6% in the previous fiscal. In the industrial sector, growth across major economic activity such as mining, manufacturing, construction sector slowed and it registered a growth of 3.38%, 0.56% and 9.12% in FY 2023 against a decline 7.07%, 11.05% and 14.82% in FY 2022, respectively.

Utilities sector too observed a marginal moderation in y-o-y growth to 9.15% against a decline of 3.6% in the previous years. Talking about the services sectors performance, with major relaxation in covid restriction, progress on covid vaccination and living with virus attitude, business in service sector gradually returned to normalcy in FY 2022. Economic recovery was supported by the service sector as individual mobility returned to pre-pandemic level. The trade, hotel, transport, communication, and broadcasting segment continued to strengthen and grow by 14.18% in FY 2023 against 13.75% in the previous year and financial services, real estate and professional services sector recorded 6.85% y-o-y growth against 4.73%. However, overall service sector growth was curbed by moderation in public administration and defense services sector which recorded 7.12% yearly increase against 9.7% increase in the previous year.

Quarterly GVA Performance



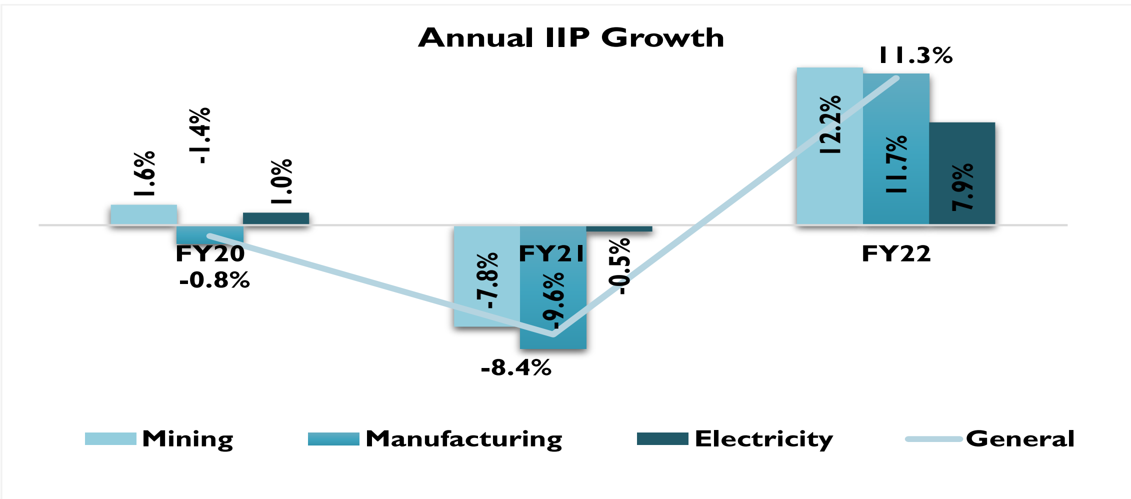
Source: MOSPI

Quarterly GVA number indicated sustained weakness in economic activity during Q3 FY 2023 with manufacturing activity being the worst hit segment amongst the industrial sectors. India's manufacturing sector shrank by 1.1% on-year in Q3 FY 2023, a second straight contraction highlighting the continuing weakness in consumer demand and exports. In Q2 FY 2023, manufacturing sector output was down by 3.57%. While quarterly growth in both agriculture and other sectors within industrial sector strengthened during Q3 FY 2023. Agriculture sector GVA strengthen in Q3 FY 2023 to register 3.68% yearly growth compared to both corresponding quarter last year (2.28%) and previous quarter (2.4%) in FY 2022. Any growth between 3.5-4% in farm sector is considered above the long-term trend line. Construction sector witnessed 8.39% y-o-y growth in Q3 of FY 2023 against 5.85% y-o-y growth in the previous quarter, mining and quarrying sector, and Electricity, gas ,water supply& other utility services sector registered 3.7% and 8.24% y-o-y growth against -0.4% and 5.96%, respectively. In Q3 FY 2022, yearly growth stood as 0.23%, 5.42% and 5.99% in construction, mining and quarrying and Electricity, gas ,water supply& other utility services sector, respectively.

Within service sector, quarterly growth moderated across all segments in Q3 FY 2023 against the previous quarter. Trade, hotel, transport, communication, and broadcasting segment observed 9.56% y-o-y growth in Q3 as compared to 15.64% growth in the last quarter. Other services sector broadly classified under Public Admin, Defence & Other Services and Financial, Real Estate & Professional Services too observed 1.99% and 5.79% growth in Q3 FY 2023 against 5.57% and 7.13% y-o-y change in Q2 FY 2023.

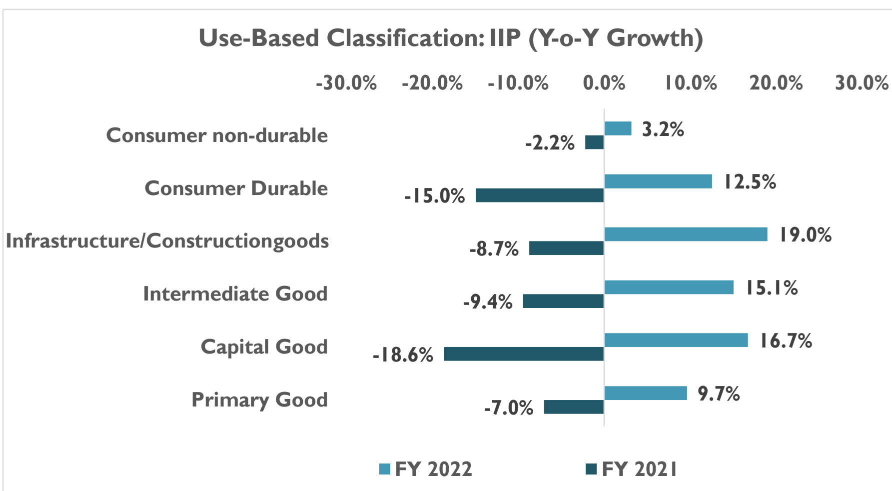
IIP Growth

After experiencing three years of deteriorating IIP growth, the country's IIP index registered 11.3% y-o-y growth where growth was evenly spread across all sub-segments. Manufacturing index, with 77.6% weightage in overall index, registered 11.7% y-o-y growth in FY 2022 while mining sector index registered the highest growth.



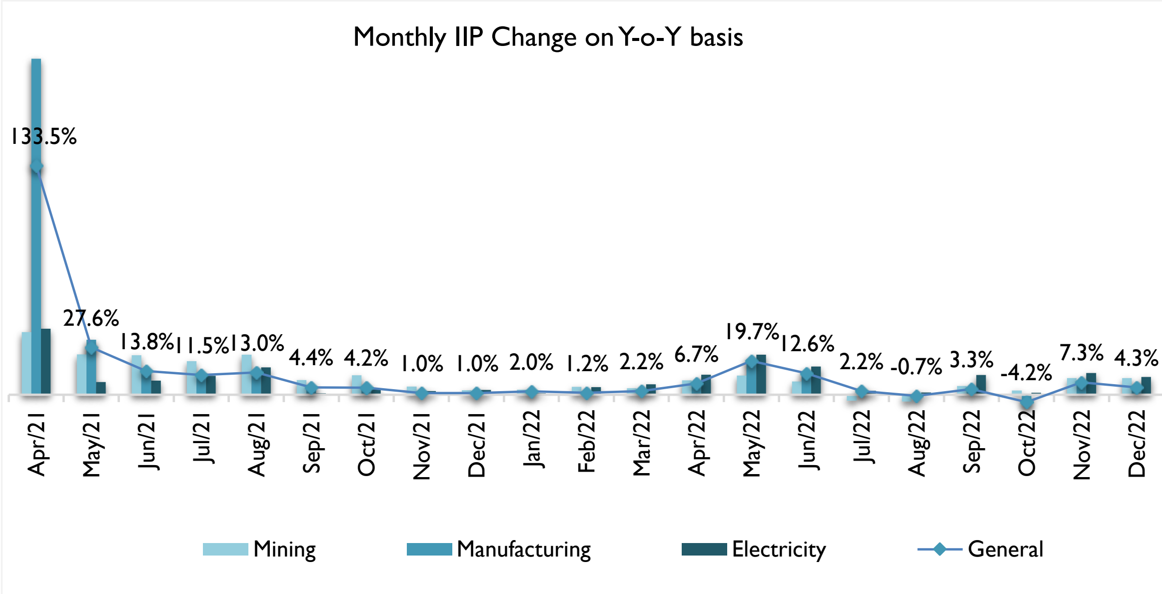
Source: MoSPI

On use-based classification basis, infrastructure/construction goods, capital good, intermediate good and consumer durable outperformed over the other sector and registered healthy double-digit growth.



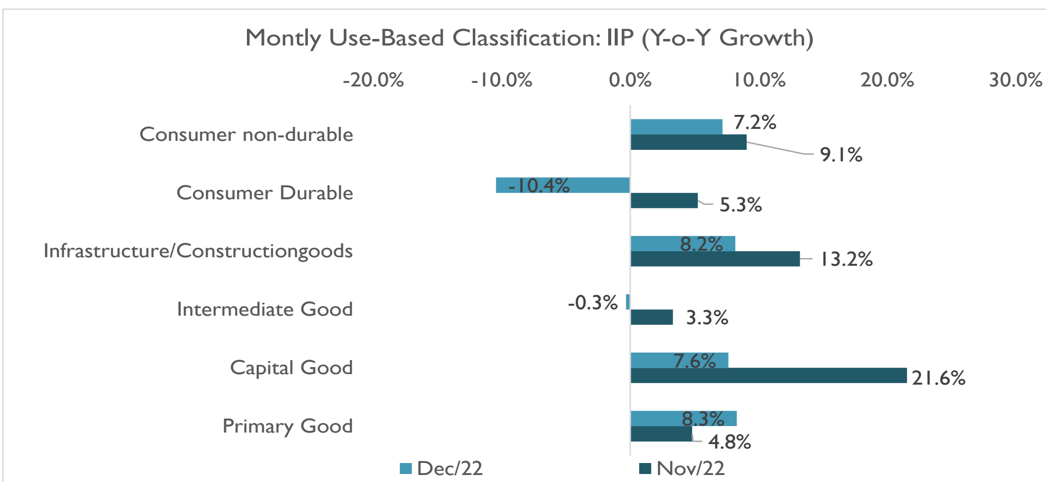
Source: MOSPI

Monthly IIP Performance



Source: MoSPI

In current year, IIP index which improved steadily between March to May moderated sharply in the subsequent three month and it measured lowest in October 2022 while it showed temporary improvement by growing at 7.3% in subsequent. However, IIP again moderated to register 4.3% y-o-y growth in December 2022. Manufacturing activity which has 77.6% weightage in the overall index, grew by 2.6% in December 2022 while mining activity and electricity index grew by 9.8% and 10.4%, respectively. On y-o-y basis, monthly IIP growth in December 2022 was relatively higher compared to previous year due to low base effect where overall IIP was adversely affected by onset of third wave of pandemic. Low base affect and year end festive sale are likely to support IIP growth in the coming month. However, moderation in external demand and consequent decline in trade have potential to affect manufacturing sector output and putting downward pressure on overall IIP growth.

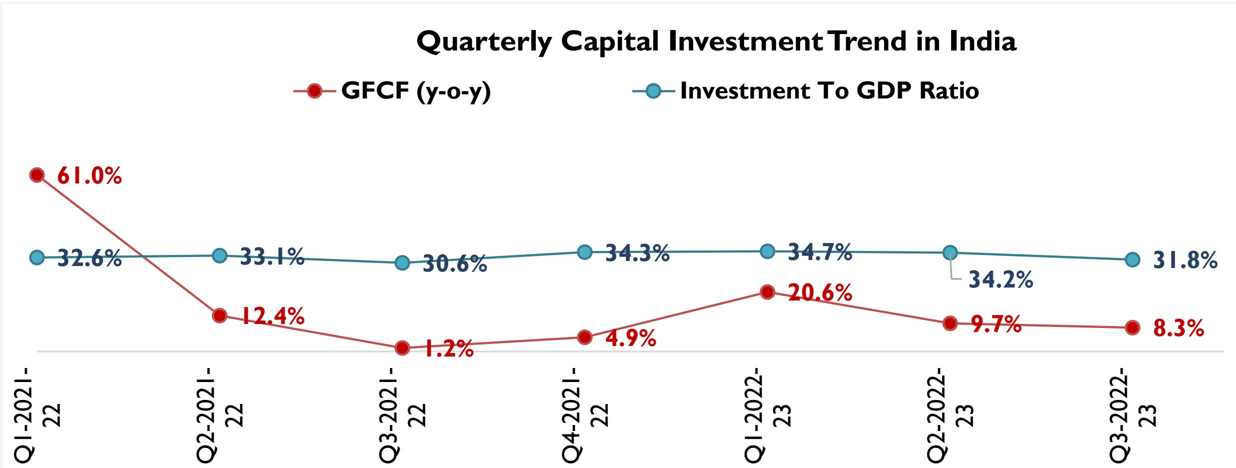


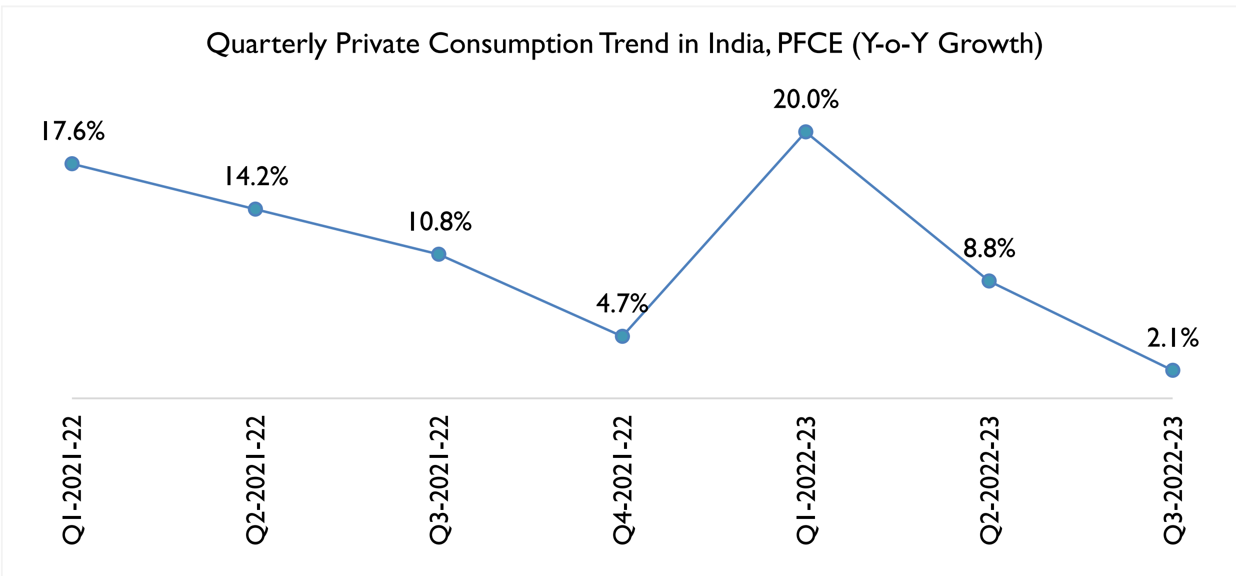
Sources: MOSPI

As per the use-based classification, growth in all segments excluding primary goods deteriorated in December 2022 against previous month. Consumer good and intermediate goods were worst hit segments. The Contracting IIP data points towards adverse operating business climate as global headwinds, high inflation, and monetary tightening started having adverse impact on manufacturing activity.

Growth Trend in Investment & Consumption Demand

Other major indicators such as Gross fixed capital formation (GFCF), a measure of investments, moderated during Q2 FY 2023 and Q3 FY 2023 while 8% y-o-y growth number was encouraging against 1.2% yearly growth in Q3 FY 2022.



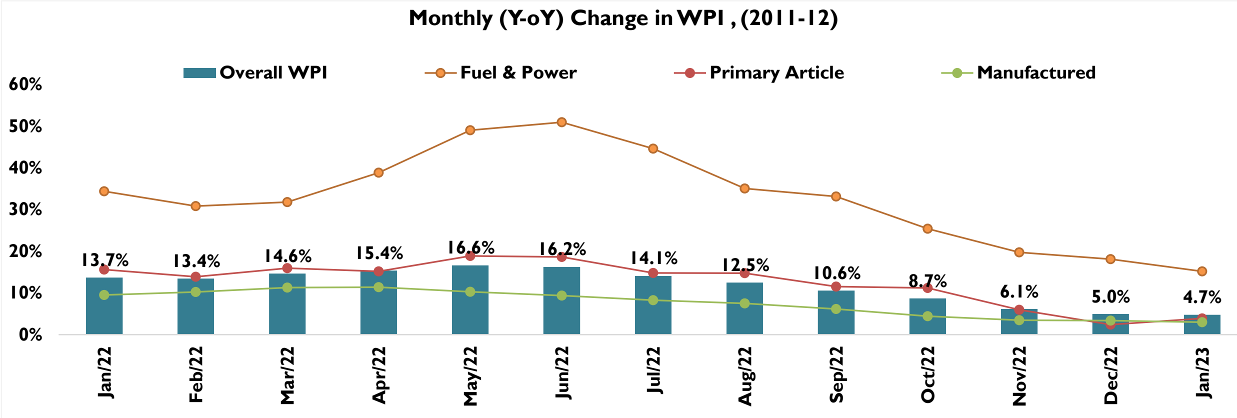


Sources: MOSPI

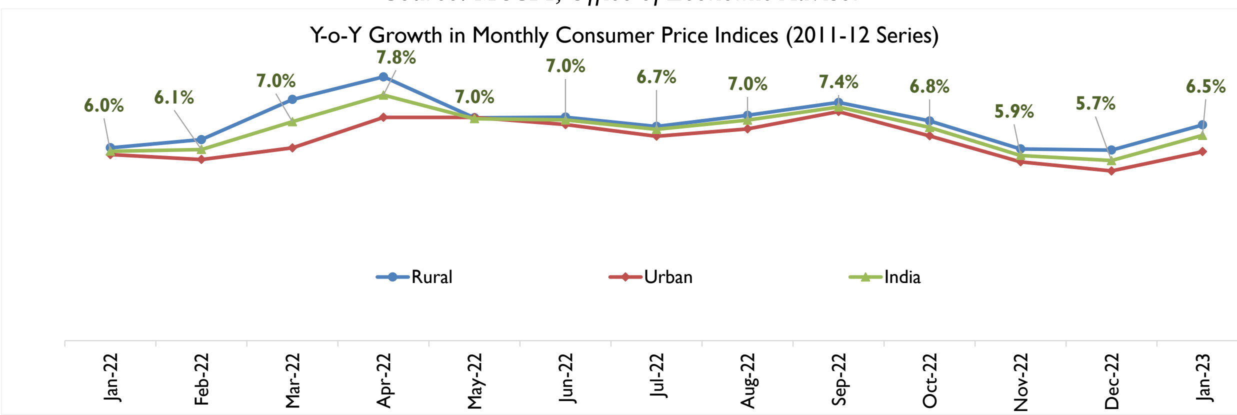
Despite the festive season demand and largely a covid-free economy, Private Final Consumption Expenditure (PFCE) a realistic proxy to gauge household spending, observed a continued moderation in Q3 FY 2023 where yearly growth softened to 2.1% which was nearly 7% lower compared to Q2 FY 2023.

Price/Inflation Scenario

India's inflation rate based on Wholesale Price Index (WPI) moderated to nearly 24 months low with 4.7% y-o-y change in January 2023 against 5% (y-o-y) increase in the December 2022. Softening prices of mineral oils, chemicals & chemical products, textiles, crude petroleum & natural gas, textiles, and food products contributed towards moderation in WPI inflation rate in January 2023. Separately, The Food Index which consisting of 'Food Articles' from Primary Articles group and 'Food Product' from Manufactured Products increased to 2.95% in January 2023 from 0.65% in December 2022.



Source: MOSPI, Office of Economic Advisor



Source: CMIE Economic Outlook

Retail inflation rate (as measured by Consumer Price Index) again jumped above 6% tolerance limit of the central bank in January 2023 after observing mild moderation in the previous two month. The overall CPI grew by 6.5% in January 2023 due to spike in food inflation and CPI food index grew by 5.9% during FY 2023 against 4.2% y-o-y growth in the previous month. Within food index, Cereals and product-led food inflation reached 16.1 per cent in January 2023 from 13.8 per cent in December 2022. As a part of anti-inflationary measure, the RBI has hiked the repo rate by 225 bps since May to current 6.25%, with latest fourth round hike announced on 8 Feb 2023. The Reserve Bank of India has estimated an average inflation rate of 6.5% for FY 2023.

External Sector

India's merchandise exports continued to grow at subdued CAGR of 4.4% during FY 2018-22 while imports grew at 4.8% CAGR. On annual basis, both exports and imports exhibited stellar performance in FY 2022 backed by recovery in global growth and domestic economic activity. Exports surged by 21% and import by ~30% in FY 2022 against -9.2% and -13.8% y-o-y change in the previous year, respectively. Improving foreign trade was backed by favorable base, elevated commodity prices and low policy rate that pushed domestic demand. However, the scenario turned unfavorable in the current fiscal with widening trade deficit, CAD breached the sustainable limit of 3% of GDP in July 2022 and is likely to widen to a decadal high to measure 3.9% in FY 2023.

Economic Growth Outlook

Even as India remains the fastest growing economy globally, the intensity of global spillover remains uncertain. As the global economy is headed towards a synchronized economic slowdown, the risk from the external crisis is far from over. India will not remain completely insulated from the external economy which is hardly out of the woods. Widening of the current account deficit, volatile foreign investment inflows, depreciating rupee, risk aversion of global investors and tightening of liquidity could impede India's growth momentum if the global economic environment deteriorates. Net profit growth (y-o-y) of non-financial corporates remained negative for the second consecutive quarter, according to the RBI's data. Dun & Bradstreet's survey of corporates across India also indicate that the optimism for both net sales and selling price for Q1 2023 were the lowest since Q3 2021.

Amidst the difficult and uncertain external economic environment, the Indian government has delivered a balanced Union Budget which focuses on achieving an inclusive and sustainable growth while adhering to the fiscal glide path. Notwithstanding the external risk, there is a sustained momentum in economic activity supported by domestic drivers. The consumer confidence survey by the Reserve bank of India points towards rising confidence of households both for the current situation as well as the future expectations (for a one-year period). Rural demand is likely to be boosted by good prospects for agricultural output and discretionary spending is expected to support urban consumption supporting. Resilient domestic financial markets, sturdy growth in credit and the government's thrust on capital expenditure is expected to drive momentum in investment activity. Capacity utilization in the manufacturing sector has surpassed its long period average. Thus, the stance taken by the government to not only emphasize on the top-down approach to growth i.e focusing on substantial capital outlay, but also to place focus on the bottom of the pyramid by trying to unleash the potential of the primary sector in the Union Budget should support India's growth momentum in 2023.

Product Profile

Transfer of media - be it liquid, gas or semi-solids - is an integral part of any industrial process. It goes beyond industrial segment, finding applications in residential and commercial fields. Flexible Flow Solutions connects the origin and end point of the media transferred automatically becomes an integral component. It is made from a wide range of materials, including rubber, PTFE, polymer, and metal. Although each material has its own advantage, it is metal Flexible Flow Solutions that is gaining widespread acceptance – undoubtedly due to its superior attributes.

Stainless steel is the most commonly used metal for manufacturing Flexible Flow Solutions, but it is not uncommon to use galvanized steel or bronze. Given the complex piping system used in industrial, residential, and commercial system a non-rigid Flow Solution is increasingly becoming the preferred choice. Flexible Flow Solutions made with Stainless Steel Corrugation offers the flexibility as well as technical superiority (over other materials) is emerging as a popular hose in a hose assembly. Flexible Flow Solutions made with Stainless Steel Corrugation assembly comprise of the actual hose, braid and the fittings used to connect the hose ends with the machinery / applications.

Flexible Flow Solutions	
Flexible Flow Solutions made with Stainless Steel Corrugation	**Made from SS sheet which is rolled and welded at the seam resulting in the formation of a thin walled and gas tight tube. Corrugations are added to the outer surface of the hose to impart flexibility. Two types of corrugation – annular or helical is applied. Corrugations are formed through one of two processes: hydroformed or mechanically formed.** **Segmentation of the Flexible Flow Solutions into annular or helical is dependent on the orientation of the corrugation. In annular, each corrugation is independent and parallel to each other. On the other hand, in helical, it is one continuous corrugation that spirals around the Flexible Flow Solutions.**
Braid	**Braid is the outer cover made of wire of SS or similar alloy which is wound tightly over the corrugated Flexible Flow Solutions. Braiding helps the Flexible Flow Solutions to withstand high pressure, widening its application segment. Braid applied can be either single braid or multiple braid, while braided braid is used on large-diameter hose.**
Flexible Flow Solutions fittings	**Fittings attached to both ends of the Flexible Flow Solutions is used to connect it for intended applications. Unlike rubber / PTFE / polymer Flexible Flow Solutions, fitting of virtually any type can be welded / soldered to the hose ends. This flexibility in fittings widens the scope of applications where Flexible Flow Solutions made with Stainless Steel Corrugation can be used.**

Advantages

Flexible Flow Solutions made with Stainless Steel Corrugation is becoming a preferred piping solution because of the numerous advantages it offers, over hose made of rubber / PTFE / polymer. The technical superiority of SS over alternative materials is the basic attribute that imparts Flexible Flow Solutions made with Stainless Steel Corrugation with its advantages. Subsequently, it scores over all other alternatives – be it resistance to external elements or maintaining the quality of media transferred.

In addition to the above advantages, Flexible Flow Solutions made with Stainless Steel Corrugation also absorbs vibrations associated with its deployment, is ideal as a connecting solution that involves misaligned rigid piping, as well as preferred option for connecting moving parts. These attributes make metal Flexible Flow Solutions an ideal option for usage in machinery with moving parts, or as a connecting solution in frequently moved or dismantled equipment.

Application Landscape

Usage of Flexible Flow Solutions: Key Sectors	
Chemicals	Resistance to temperature & pressure variations, corrosion resistance, and absence of permeation makes Flexible Flow Solutions made with Stainless Steel Corrugation a popular choice in chemical plants. The ability to handle different chemicals is an added bonus. Some of the applications in chemical plants include process piping, steam lines, chlorine transfer, cryogenic transfer line, dry bulk pneumatic transfer, loading / unloading trucks / tanks.
Oil Refining	In oil refineries, Flexible Flow Solutions made with Stainless Steel Corrugation is used to transfer hydrocarbons, steam and by-products & additives associated with the refining process. Some of the application areas include hydrocarbon drain hoses, steam lines, lube oil & grease plant process lines, gas burner connections, process line connections etc.
Steel	SS Corrugated Flexible Flow Solutions and joining units are used in blast furnaces, BOF furnaces, coke over & coke by-product transfer, boiler & generation units, high temperature lubricating lines, cooling water hoses, and vacuum degasser, among others.
Pulp & Paper	Common usage includes piping solutions for boiler water pre-treatment lines, steam connections, lubricating lines, compressed gas lines, and connections for black/ white liquor.
Petroleum Systems/ Fuel retailing stations	Used as underground piping solutions, due to its flexibility in tight environment/limited space.
Utilities & Power Plants	Used in steam piping systems and fuel delivery lines for thermal power generation plants. Also finds application in hydropower plants as well as nuclear plants.
Petrochemicals	Used as a preferred piping solution for process piping, transfer of plastic resins, and steam lines, among others
Bulk Material Handling	Used in low-pressure or vacuum pneumatic conveying system, primarily due to its abrasion resistance property.
Natural Gas Transfer	LNG is transferred at very low temperature, automatically ruling out many of the traditional hoses (rubber / polymer etc.). SS metal Flexible Flow Solutions with its temperature resistance property is an ideal choice.
Water Treatment	In water treatment plants, SS Flexible Flow Solutions find application due to its chemical stability. All conventional water treatment plants use chlorine which has high corrosive property. Flexible Flow Solutions made with Stainless Steel Corrugation with its anti-corrosion property is an automatic choice in chlorine transfer in water treatment plants.
HVAC Systems	Ability to avoid thermal expansion caused by temperature fluctuations as well as avoid vibration has made SS corrugated Flexible Flow Solutions a piping option in HVAC systems. It is increasingly replacing rigid piping systems. Apart from the above attributes, the ease of installing is also tilting the preference to metal hoses.
Renewable Energy	In renewable energy segment, SS corrugated Flexible Flow Solution is fast finding application in solar heating systems, where it is used to transfer hot and cold water between thermal panels and storage tank.

Source: Website & Brochure of leading SS corrugated flexible flow solutions providers.

Regulatory Analysis

Iron and steel industry play a strategic position in the overall infrastructure industry. Therefore, the government has been taking sustained initiative on yearly basis towards the development of the industry. The Government has de-licensed the manufacturing of steel pipes and tubes, and caps on foreign investment has been removed. This move, as part of the larger industrial sector reforms which was implemented in 1991 and subsequent years, have helped in improving the technology level in the industry, apart from attracting capital. Further, trade restrictions (primarily international trade) were also lifted as India became a signatory to global trade pacts. Currently, 100% FDI under automatic route is allowed in the steel sector.

Steel and Steel Products (Quality Control) Order 2020

The order, notification for which was issued on 22nd July 2020, pertains to ensuring the safety and quality standards of steel and steel products manufactured, imported, and exported from India. The order which became effective on August 1, 2020, and mandates that SS used as an input material should conform to Indian quality standards / Bureau of Indian Standards.

When applied to Flexible Flow Solutions made with Stainless Steel Corrugation manufacturing, the impact will be mostly related to procurement of raw materials and thus there is no direct impact on manufacturing process per say. However, given the rationale behind this order – which is the increase in the overall quality level of Indian made steel products – there is a probability that the quality specifications will extend to more finished products made from steel (as well as SS). In the case of such a development, Flexible Flow Solutions made with Stainless Steel Corrugation manufacturers who already comply with those quality standards would clearly benefit.

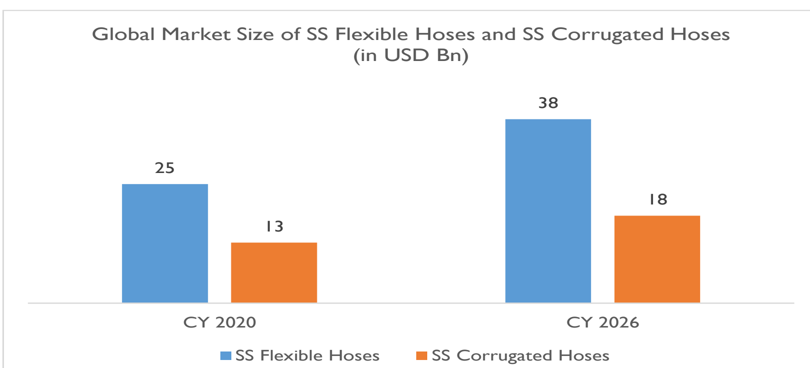
Domestically Manufactured Iron and Steel Products Policy (DMISP)

On 8th May 2017, the Government released a DMISP policy to prefer the domestically manufactured iron & steel products in Government procurement. To align with the Government "Atmanirbhar Bharat" scheme, Ministry of Steel notified amendments / additions to the DMISP Policy in Dec 2020 which was last revised, 2019. The amended policy further broadens the scope of the policy to promote domestic manufacturing in the steel sector. This Policy has led to import substitution of more than ₹200 Bn worth of steel which points towards increasing usage of domestic steel in government procurement.

With respect to Flexible Flow Solutions made with Stainless Steel Corrugation industry, this policy has the potential to increase the procurement of domestically manufactured Flexible Flow Solutions made with Stainless Steel Corrugation by PSUs in manufacturing sector, particularly Oil & Gas sector where PSU presence is significant. This creates a direct opportunity for established large players in this industry.

Global Market Scenario

Globally, the market for SS flexible hose was estimated to value at approximately USD 25 Bn in 2020 with the size of SS corrugated hose estimated at USD 12.5 Bn which is slated to grow to USD 38 Bn and USD 18 Bn by 2027, registering a CAGR of 7.5% and 6.3%, respectively. Supported by favorable product attributes, the demand for SS flexible hoses is being driven by rapid urbanization which has accelerated the pace of the infrastructure developments and real estate construction that has triggered the demand of HVAC system and translated in promising outlook for SS flexible hoses. Moreover, large scale industrialization and modernization in agriculture and key manufacturing sectors is fueling the demand for SS corrugated hose (industrial hoses).



Industry sources suggest piping industry account for the largest market share amongst all end user while Asia Pacific accounted for the largest share of global stainless steel flexible hose market followed by North America. In coming years too, driven by healthy economic growth in China and India, Asia Pacific is expected to grow at the highest CAGR.

Rising infrastructure spending and focused government initiative to curb carbon emission and push clean energy is expected to drive the growth of Flexible Flow Solutions made with Stainless Steel Corrugation from many key end user industries such as electric automobile, renewable water heating application and other energy efficient electrical appliances. While progress on factory automation for operational optimization and cost control in manufacturing sector is believed to have positive impact on Flexible Flow Solutions made with Stainless Steel Corrugation too.

Demand Scenario in India

Traditionally, the demand for Flexible Flow Solutions made with Stainless Steel Corrugation was largely driven by the industrial sector – manufacturing plants and manufacturing products from chemicals to paper. HVAC applications too were a major consumer, although the scale of business generated by this segment was lower compared to its industrial counterpart. The steady growth in industrial activity amidst some disruption along with the slow but steady transition from rubber / PTFE / polymer flexible hoses have resulted in a favorable demand landscape for Flexible Flow Solutions made with Stainless Steel Corrugation manufacturers.

Between FY'18-9M FY23, over 1,840 projects (brownfield and greenfield) were completed in the manufacturing. With Flexible Flow Solutions made with Stainless Steel Corrugation application being universal, this large base is believed to have supported a strong demand for the product. The transition from traditional flexible hoses too has accelerated the demand growth.

Given the increasing preference for Flexible Flow Solutions made with Stainless Steel Corrugation in place of rubber / PTFE / polymer hoses, the demand for the former from the industrial sector would be stable. This development would help in creating a stable user base for Flexible Flow Solutions made with Stainless Steel Corrugation, thus ensuring there is always a steady demand for the product.

However, the coming years would witness demand from sector which are either at its infancy or yet to establish itself in India. The emergence of these new user segments would help in immensely expand the addressable market for the product. Notable sectors which would create new demand include renewables (primarily solar heating), Lithium-Ion battery applications (EV as well as other battery applications), semiconductor manufacturing, and robotics.

Demand for Flexible Flow Solutions made with Stainless Steel Corrugation	
Traditional Demand Segments	**Emerging / Upcoming Demand Segments**
Manufacturing Automotive Oil & Gas (Exploration, Refining) HVAC	Renewables (Solar) Lithium-Ion Battery Management Semiconductor manufacturing Robotics: Industrial robots, drones

Demand from Traditional Consumer Segments

Traditional user segments for Flexible Flow Solutions made with Stainless Steel Corrugation comprise of manufacturing plants in chemicals, petrochemicals, pharmaceuticals, food & beverage, steel manufacturing, and pulp & paper, among others. It is also widely used in power plants, as well as oil & gas exploration and production sector. Its application in residential and commercial segment is majorly driven by the HVAC Systems Thus, demand for Flexible Flow Solutions made with Stainless Steel Corrugation is closely linked to the demand scenario and capex plans prevalent in its end-user industries as well as overall industrial sector performance. Briefly discussed is the demand scenario of key existing and emerging end user industries.

Oil & Gas Sector

Oil & Gas sector is one of the major end user industries for Flexible Flow Solutions made with Stainless Steel Corrugation due to its favorable attributes such as corrosion resistance, reliable connection, good flexibility, and the ability to bend freely without deformation or obstruction. Stainless steel offer good resistance to high-pressure and high-temperature and so is widely used in refineries, pipelines, storage capacity, gas terminals, and retail outlets. It is used in pipeline connection application of gas, liquefied petroleum gas, natural gas, and biogas. In refining segment, it is used to transfer hydrocarbons, steam, and by-products & additives. Therefore, oil & gas industry has a close linkage that dictate the demand for Flexible Flow Solutions made with Stainless Steel Corrugation in the country.

From average 62 project announced between FY18-20, the number of new projects announced in the oil & gas sector fell drastically to 4 in FY 2021, while the size of investment too declined from average Rs 919 billion to Rs115.2 billion. The drop in economic growth in FY20 and FY21 due to recessionary scenario and spread of pandemic respectively have lowered the energy demand. FY22 saw temporary recovery in economic growth on the back of prolonged low interest rate and government stimulus, that translated in rising new project announcement, although it remained much low below the pre-pandemic level. During FY22 . the number of new project announcement grew to 29 against 4 in the previous year. In current fiscal, series of interest rate hike to curb inflation both in global market and domestic market, has once again forced the companies in this sector to go slow on their expansion plans. During 9M FY23, the number of new project announcement again fell to just 8 projects. However, the number of project outstanding in the sector hovered at 260 with aggregate investment value of Rs 3,500.6 billion as on year ending 31st Dec 2022. The large quantum of outstanding project in the oil & gas industry is expected to support increasing procurement of components and equipment used in exploration & production. This positively impacts the demand for Flexible Flow Solutions made with Stainless Steel Corrugation.

Steel manufacturing sector

India is one of the leading producers of steel in the world, apart from being a leading consumer as well as exporter. The Country is the world's largest producer of sponge iron and the second largest producer of crude steel. The production of crude steel reached 124.7 million tons per annum in CY 2022, growing by 5.5% over previous year. Between (CY 2017-22), the production of crude steel in India has increased by a CAGR of 4.2%. Installed production capacity for crude steel has increased by over 50% since FY 2014 to reach nearly 155 million tonnes in FY2022.

Between Jun-2021- Dec-2022, nearly 29% capacity expansion projects have been completed in the steel industry, which involved both greenfield and brownfield projects. For Flexible Flow Solutions made with Stainless Steel Corrugation manufacturing sector, the expansion in steel production capacity in past have created a strong demand. In FY 2022, 64 new capital expenditure projects have been announced in the domestic steel manufacturing sector envisaging investment worth Rs 2,270 billion while outstanding investment at end of December 2022 stood at Rs 14.8 trillion spread across 349 products. Going forward, per CMIE capex estimates the capacity addition in steel is expected to slow down to 3 Mn tonnes in FY24 and nil capacity addition in FY25 against 5.5 Mn tonnes in FY23 as there exist sufficient capacity to near term demand till FY25. The expected slowdown in capacity addition is expected to translate in slowing demand scenario for Flexible Flow Solutions made with Stainless Steel Corrugation manufactures from steel sector.

Chemical & petrochemical Sector

The highly diversified Indian chemical industry covers nearly 80,000 commercial products and is broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilizers. Indian chemical industry is capable of manufacturing chemicals of varying complexity, from basic bulk chemical to specialty chemicals like dyes, surfactants, and construction chemicals. Annual production of basic chemicals – organic, inorganic, alkali chemicals, dyes & pigments, and pesticides – is estimated to have reached 11.6 million tons in FY 2022 (up to February 2022), recording an increase of 14.09% y-o-y.

This massive expansion plan is on account of expected strong demand for chemicals from a fast-growing economy. Given the wide range of applications of chemicals, a growth in overall industrial activity would trigger higher demand. Although Indian chemical industry has built up a massive production capacity, given the strong economic growth expected in the coming years this capacity needs to be spruced up.

To cater the growing industries demand, substantial investments are planned in chemical and petrochemical sector. As per CMIE data, about 721 new projects were announced in the chemical sector envisaging overall investment worth ₹2,997.93 Bn in FY 2022 which implies smaller project value per project. On contrary, large value projects aggregating investment worth ₹6,288.9 Bn spread across 550 projects were announced during 9M FY 2023.

HVAC

Ability to avoid thermal expansion caused by temperature fluctuations as well as avoid vibration has made Flexible Flow Solutions made with Stainless Steel Corrugation a piping option in HVAC systems. The usage of stainless-steel Flexible Flow Solutions ensures zero leakage during the process and lower maintenance cost as it provides a corrosion-free environment inside piping systems. Currently, the HVAC system penetration in India is though low compared to developed nation but it is steadily increasing on the back of increase in consumer purchasing power and aspirational change.

The HVAC industry size in India is estimated to be around USD 7.8 – 8.5 billion as of FY 2022, growing at a CAGR of ~14% during FY 2018-2022. A burgeoning services sector has fueled construction of office space, while increasing urbanization, changing lifestyle and consumption habits, of a younger workforce is giving rise to more and more supermarkets, hotels, and hospitality establishments. Government spending on infrastructure creation - such as Airports, Metros, amongst others - is also a major consumer of the HVAC&R industry. Amongst the four applications, Cooling accounts for the largest share; followed by Air Handling/Conditioning, Ventilation, and Heating. Office spaces, Organised retail (i.e., shopping malls, and supermarkets), Healthcare, and Hospitality sectors are the largest consumers of HVAC&R equipment and services.

The expansion in commercial space driven by office space and retail industry would create opportunities for HVAC segment and benefit the growth of.

Renewable Energy - Penetration Solar Water Heating Application

Flexible Flow Solutions made with Stainless Steel Corrugation is finding increasing application in solar heating systems where it is used to transfer hot and cold water between thermal panels and storage tank. Industry Sources suggest usage of solar water heater for any application where steam is produced using a boiler or steam generator can save 70-80% of electricity or fuel bills while a residence can save 70-80% on electricity by replacing its conventional water heater with a solar water heating system.

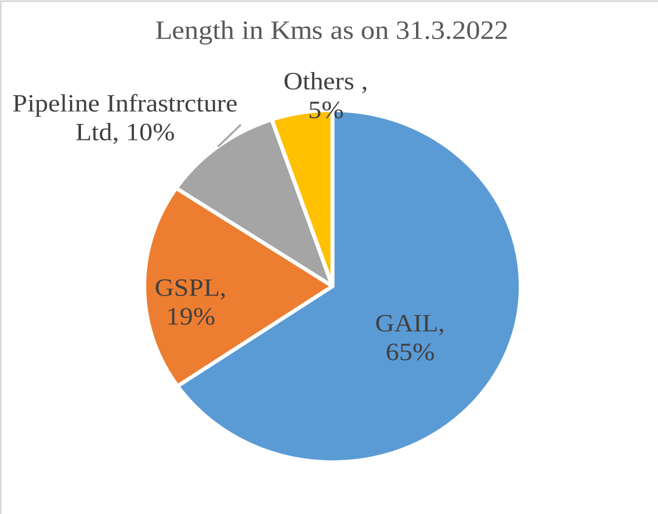
To scale the deployment of solar energy for thermal applications, MNRE has implemented 'Off-Grid and Decentralized Concentrated Solar Thermal (CST) Technologies for Community Cooking, Process Heat and Space Heating and Cooling Applications in Industrial, Institutional and Commercial Establishments' Scheme.

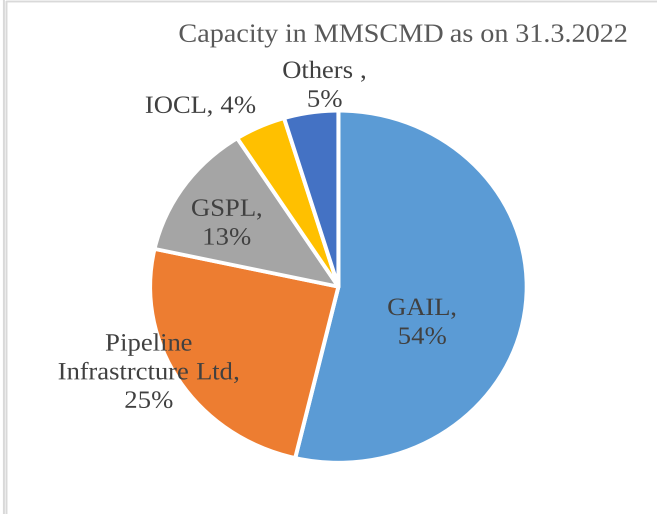
As per Ministry of New & Renewable Energy, the domestic market for solar water heaters was only ₹65 Crore in 2011. Post 2012 the installation of solar water heaters in the country has been increased, on the back of a concerted effort by the Government as part of the larger strategy to promote renewable energy. As per independent industry sources, the domestic market for solar water heaters is estimated to have surpassed ₹1,000 Crore in 2021

Natural Gas Pipeline Infrastructure in India

Flexible Flow Solutions made with Stainless Steel Corrugation are finding increasing application in city gas distribution network which is one of the fastest growing end-user segments of natural gas infrastructure. In India, CGD sales were dominated by the CNG (Compressed Natural Gas) segment, owing to stringent environmental regulations and rapidly growing penetration of CNG fitted vehicles in India. It is predominantly used as auto-fuel and is CNG is economical and eco-friendly than conventional liquid auto fuels.

Another area which finds its application is Piped Natural Gas (PNG). PNG is used in domestic, commercial, and Industrial segments. Natural Gas termed as PNG when it is supplied through an integrated network of Steel and PE (Polyethylene) pipeline to end consumers. A phase wise development of CGD networks in different identified cities of the country including the cities approved under SMART Cities program is proposed by a PNGRB, depending on the natural gas pipeline connectivity/natural gas availability.





Sources: PPAC statistic

As on March 31, 2022, the Country had about 20,659 Km long Natural Gas pipeline network in operation of which 6,381 kms of length was partially operational with capacity of 124 MMSCMD. The total capacity of completely operational pipeline (length 14278 Kms) stood at 343.3 MMSCMD. GAIL, GSPL, and PIL are major developer for Gas pipeline infrastructure in India with GAIL accounting for majority share of 70% in existing pipeline infrastructure. Another 11,777 Km long gas pipeline is under construction phase or partial operational phase. This gas grid will help to increase availability of natural gas in various parts of the country.

Gas Pipelines Under Execution / partial operational as on 31.03.2022

Network/ Region	Entity	Length sanctioned (KM)	Design capacity (MMSCMD)	Pipeline size
Chainsa-Jhajjar-Hissar	GAIL	455	35	36"/18"/16"/12"/10"/8"/4"
Dadri-Bawana-Nanga	GAIL	921	31	36"/30"/18"/10"/8"
Dabhol-Bangalore	GAIL	1414	16	36"/30"/24"/18"/10"/8"
Jagdishpur-Haldia-Bokaro Dhamra-Paradip- Barauni-Guwahati	GAIL	3546	23	36'/30”/24"/18"/12"/8”/6"/4"
Mehsana – Bhatinda*	GIGL	1673	46	36”/24”/18”/12”
Bhatinda - Gurdaspur	GIGL	305	34	24”/18”/16”/12”/8”/6
Mallavaram - Bhopal - Bhilwara - Vijaipur	GITL	2042	78	42”/36"/30"/24"/18"/12”
Ennore-Tuticorin**	IOCL	1421	85	8 42”/36"/30"/24"/18"/12” 16”/14”/6”

*Commissioning under Process, **Partially Operational-165Km

Expansion in City Gas Distribution Network

Government is planning to invest ₹700 Bn (USD 9.97 Bn) to expand the gas pipeline network across the country. The Government has fixed an ambitious target of increasing the share of natural gas in the country's energy basket from 6% in 2019 to 15% by 2030. To attain this, it envisaged National Gas Grid project which involves connecting locations/hubs with pipelines to carry natural gas till the retail outlets. The government laid down plans for the expansion of National Gas Grid from 16,905 km (as on 1 May 2020) to 30,000 Kms by 2025, an addition of nearly 17,000 Kms

In Union Budget 2021-2022, the government announced to bring 100 more districts under the City Gas Distribution network in next 3 years and expand City Gas Distribution coverage from 20% to 70% of India's population. It also plans for starting of a gas pipeline project in Jammu & Kashmir and to set up about 10,000 CNG station.

In Union Budget 2023-24, the total budgetary allocation to the Ministry of Petroleum and Natural Gas stood at Rs 410 billion for FY24 (BE) from Rs 339 billion for FY23 (RE).

Backed by booming PNG and CNG segments, the country's CGD network is anticipated to grow which is expected to translate in higher demand for Flexible Flow Solutions made with Stainless Steel Corrugation.

Growth in traditional consumer segments and its Impact on Flexible Flow Solutions made with Stainless Steel Corrugation industry

Apart from the last couple of years, the capital investment sentiment in Indian industrial sector has been upbeat due to a strong demand landscape. The large scale of capital investment during those time ensured that components like Flexible Flow Solutions made with Stainless Steel Corrugation has a stable demand. An economic downturn in FY 2020 and onset of Covid in the following year turned the investment climate unfavorable. The number of projects announced witnessed a drop while delays in project execution became more common. This had a detrimental impact on the Flexible Flow Solutions made with Stainless Steel Corrugation industry, as the delays in project execution and drop in new projects directly impact the volume & value of Flexible Flow Solutions made with Stainless Steel Corrugation that are consumed by the manufacturing industry.

Demand from Government Schemes

The past couple of years have seen the introduction of an array of schemes to bolster the domestic manufacturing capacity. Atmanirbhar Bharat package that was launched as a stimulus package to tide over Covid-19 induced economic disruption, and Production Linked Scheme are two of the major policies.

Atmanirbhar Bharat packages

To support economic revival post Covid-19, the government in May 2020 announced first stimulus package. The first economic stimulus of ₹20 Tn was announced on 13th May 2020 and subsequent two more Atmanirbhar Bharat packages of ₹730 Bn on October 12, 2020 and ₹2.65 Tn was announced on 12th November 2020, bringing the total stimulus package at ₹29.87 Tn. Moreover, the government has decided that Global tenders will be disallowed in government procurement tenders up to ₹2 Bn which will boost demand for indigenously manufactured product.

Production Linked Incentives (PLI) Scheme

The government has announced ₹1.97 Tn to be spent in the next 5 years for PLI schemes in 13 Sectors which include advanced chemistry cell battery, electronic products, automobiles and auto components, pharma, telecom and networking products, textile, food products, white goods, and specialty steel. The scheme targets to create and nurture manufacturing global champions for an Atmanirbhar Bharat, help manufacturing companies become an integral part of global supply chains, possess core competence and innovative technology, and create employment opportunities.

Various other policy decision such as changing the definition of MSMEs and encouraging the scope for private participation have been introduced as a part of Atmanirbhar Bharat package which will have a favorable impact on domestic manufacturing and Flexible Flow Solutions made with Stainless Steel Corrugation pipe.

National Manufacturing Policy

The stated objective of the Government to increase the share of manufacturing sector in national GDP from the current level of 12 – 14% to 25% by 2022 is expected to benefit process control equipment manufacturing. National Manufacturing Policy and Make in

India initiatives implemented to achieve this objective would benefit the segment.

Additionally, the move towards “Industry 4.0,” which focuses on encouraging Companies to adopt best in class manufacturing practices would have a positive impact on process control equipment segment. “Industry 4.0,” which is intended to reshape the manufacturing segment by focusing on automation as well as improving efficiency could create demand for process control equipment's and systems.

All these policies are intended to stimulate the manufacturing infrastructure in India and facilitate private investment. The key objective behind these schemes is to transform Indian into a global manufacturing hub. This will be possible only by a massive expansion in manufacturing capacity, which involve increasing existing plant capacity as well as setting up new plants. This path towards becoming a major manufacturing hub will create strong demand opportunities for Flexible Flow Solutions made with Stainless Steel Corrugation industry, due to its universal application.

Emerging / Upcoming Customer Segments

<u>Applications / Industries involving Lithium-Ion Battery</u>

Flexible Flow Solutions made with Stainless Steel Corrugation is used as a heat transfer medium in indirect cooling of lithium-ion batteries. This makes the product an integral part of battery management system, and battery packs that are used for stationary and non-stationary applications. The most famous non-stationary application of lithium-ion battery, which is witnessing rapid advancement in recent years is electric mobility. In the case of stationary application, Battery Energy Storage System (BESS) - wherein energy from renewables and stored after generation and later on supplied to consumer – is a notable use case.

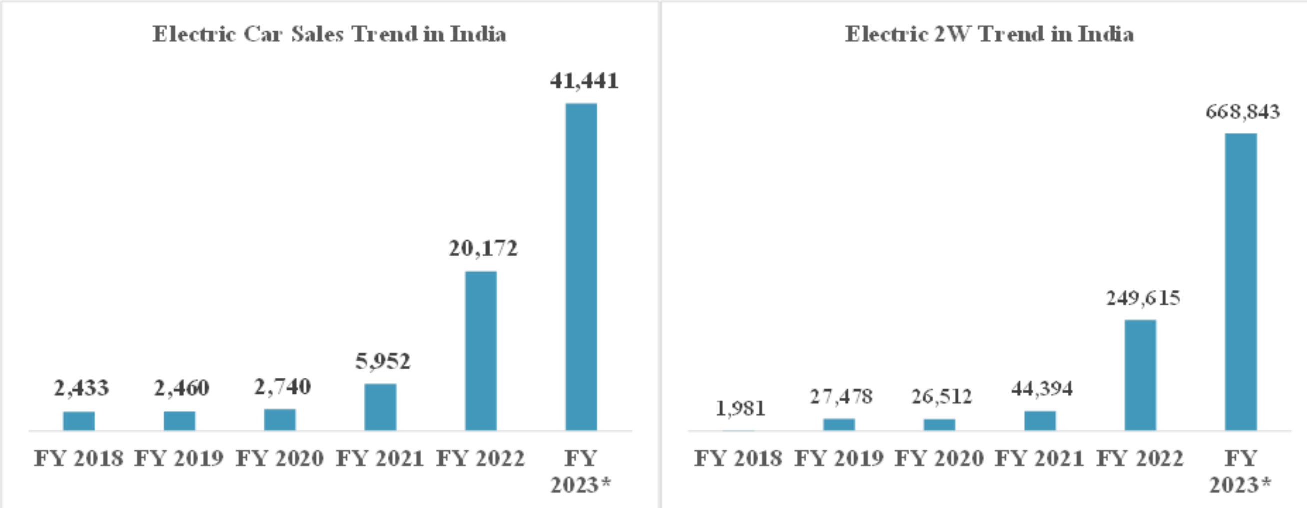
Subsequently, the demand for Flexible Flow Solutions made with Stainless Steel Corrugation is directly linked to the production / assembling of Li-ion battery packs in India. Two major factors driver the demand for Li-ion battery packs: electric mobility and renewable (BESS).

a) Indian Electric Vehicles Ecosystem & its impact on Li-ion battery packs

India's electric mobility program is driven by Government backed demand initiative model, which is at the core of the flagship Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME). The government targets to achieve EV penetration accounting for 30% in case of private cars, 70% for commercial vehicles and 80% for two- and three-wheelers by 2030. Meanwhile, various state Governments have come out with their own EV policy. A common thread running across these newly released policies is the emphasis on electrification of public bus fleet while providing tax credit / registration fee waiver for purchase of electric four wheelers.

Given these developments, the sale of electric vehicles in India is expected to register strong growth rate. However, the expected surge in growth in the sector would happen post FY 2025, when the price difference between internal combustion engine and EV is expected to reduce significantly. This aggressive policy framework has created a small but fast-growing EV industry in India, which is currently dominated by electric two wheelers.

However, given the increasing car ownership in India the probability of penetration of EV in four wheelers appears bright. Increasing fuel cost, stringent emission control norms, and lower total cost of ownership is creating a stir among potential car buyers, who until recently never considered EV while making buying decisions. This change in mindset is the first solid step, which would morph into actual sales. With an annual sale of approximately 41 thousand units (in FY 2023), the electric car industry in India is still in its infancy. However, the pace of growth it has achieved in the last four – five years is tremendous, pointing towards huge opportunity. From nearly 2,000 units per annum in FY 2018, electric car sales jumped to 41,441 units in FY 2023, a compounded annual growth rate of 76%. The EV penetration has been robust in two-wheeler segment which has witnessed sharp 220% CAGR growth between FY 2028-23 to 668843 units.



*Source: Society of Manufacturers of Electric Vehicle, Industry Sources, *Sale till March 14, 2023*

This increase in electric car sales numbers, and more importantly the emergence of domestic EV OEMs in four-wheeler space is creating a new market for components and consumables. Although critical components like Li-Ion cell is still imported, battery packs and battery management system are largely made in house. Similar advances have also happened in electronic features, like increasing capability to manufacture components for features like Electronic Stability Control (ESP). In the case of ESP, the consumer segment is not limited to electric cars, but broader based as it is used in traditional automobiles. Earlier these features were limited to premium cars, but now it is making its way to lower priced variants. In few years features like ESP would become a standard, rather than an add-on.

This growth in EV volumes have resulted in higher demand for Li-ion batteries for use in vehicles. Domestic manufacturing of battery cells at present is lacking, forcing the industry to depend on imports from China. However, domestic industry has made rapid strides in assembling of battery packs as well as battery management system. The past few years have seen a host of startups entering this space, supplying battery packs to EV OEMS. The usage of Li-Ion battery packs – at present – is more prevalent in electric cars (recent changes in FAME II guidelines have led to strong growth in Li-ion usage in electric two-wheeler sector).

Assuming a single battery pack per EV, sale of nearly 250,000 electric vehicles (primarily electric two wheelers and four wheelers) highlights the annual demand for battery packs. More than 50% of these use Li-ion battery packs (remaining are low speed scooters that use lead batteries), where in direct / indirect cooling is required.

b) Stationary applications of Li-ion battery packs

At present, the major stationary usage of Li-ion battery is in Battery Energy Storage System that are used in conjunction with renewable energy systems (mainly solar and wind).

Solar power is the largest component of RES capacity in India, accounting for nearly 47.5% of total RES installed capacity as on 31st March 2022. Capacity addition in solar power segment has happened at a brisk pace increasing from just under 1 GW as on 1st April 2012 to nearly 64GW as on 28th Feb 2023.

Solar Power Generation in India: Growth in Installed Generation Capacity							
As on	1st April 2012	31st March 2018	31st March 2019	31st March 2020	31st March 2021	31 March 2022	28 Feb 2023
In GW	0.94	21.65	28.18	34.63	40.08	53.99	64.38

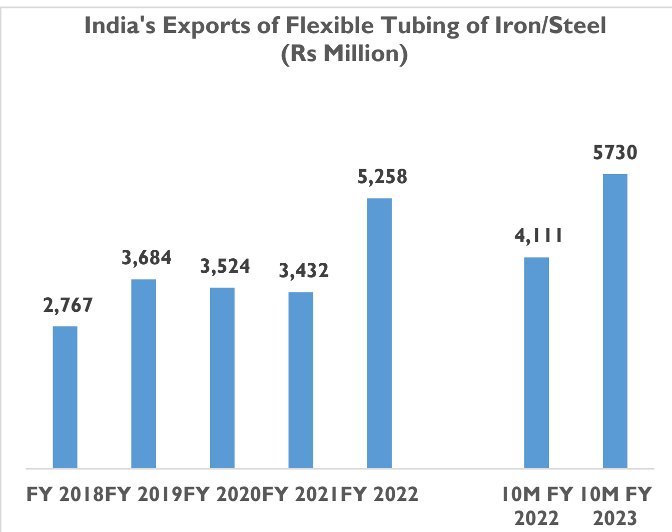
Source: Central Electricity Authority

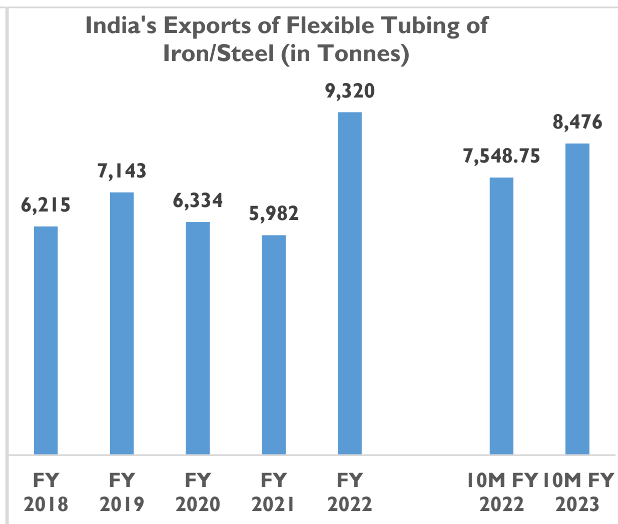
This aggressive growth in solar power generation capacity is fueled by Government's stated policy of moving towards a path of sustainable development. In addition, the country is a signatory of climate change accords and sees a switch from polluting coalbased power generation to cleaner renewable energy like solar as an important step as it complies with the targets set in the climate change accords.

This increase in solar power generation capacity has ensured a strong demand for BESS, which is an integral part of solar power infrastructure. As a result, the deployment of BESS has traced the staggering growth in Solar generation capacity. Flexible Flow Solutions made with Stainless Steel Corrugation which find application in Li-ion battery cells used thus found a new market segment, which was non-existent nearly a decade back. Today it forms a not so insignificant market, with a promise of strong growth in the coming years.

Trend in Exports

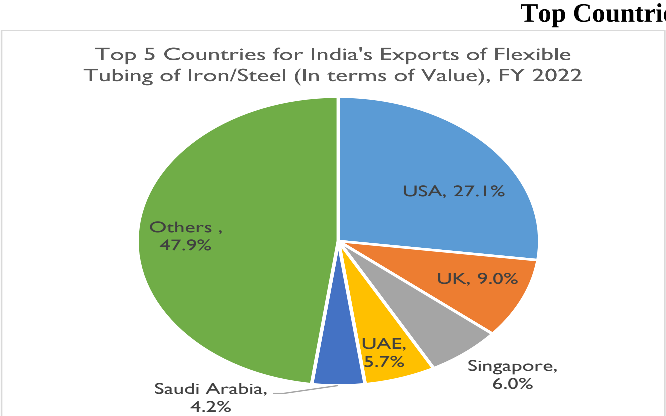
India's exports of flexible tubing of iron/steel with/without fittings stood at Rs 5,258 million in FY22 growing by nearly 17.4% CAGR from FY18 – FY22. In volume terms, exports stood at 9,320 tons in FY22 and grew by 10.7% CAGR from FY18 – FY22. Prior to FY19, the exports were grown consistently since FY15 and registered a healthy CAGR of 11.7% in value terms. Post FY19, exports observed decline during FY20 and FY21 owing to the onset of the pandemic. However, FY22 saw the exports surpassing the FY21 numbers in terms of value and volume indicating that the global economy recovering gradually from the shocks of pandemic situation. The exports continued to strengthen during 10M FY23 both by value and volume and it registered healthy 39% and 12% y-o-y growth over the corresponding period last fiscal to touch ₹5,730 million and 8,476 tonnes, respectively.

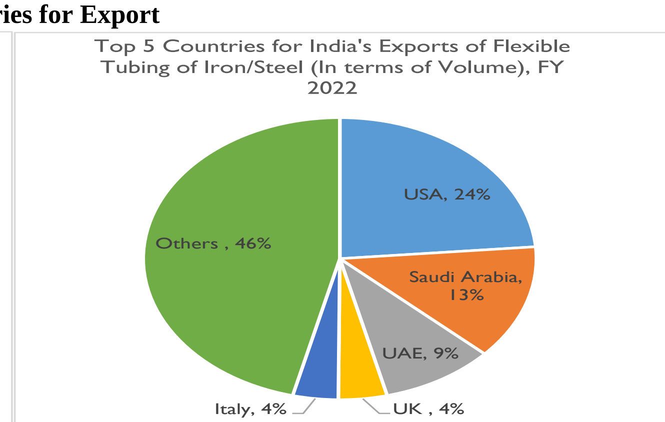




Source: Ministry of Commerce and Industry, Department of Commerce, Government of India

Top Countries for Export



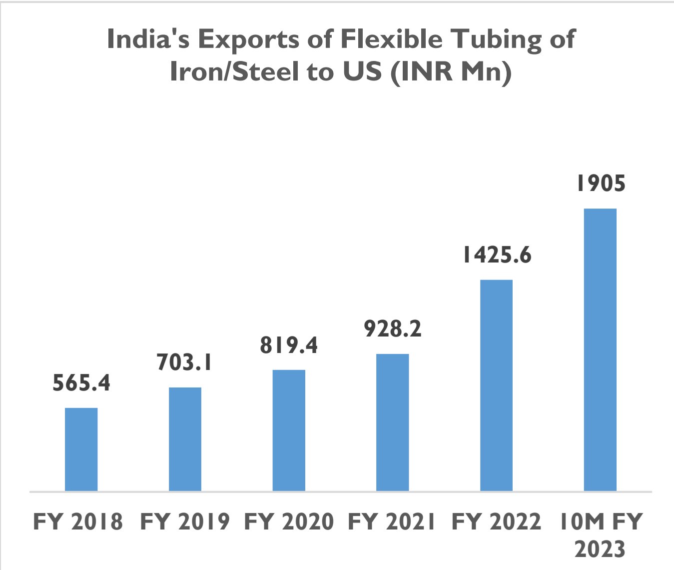


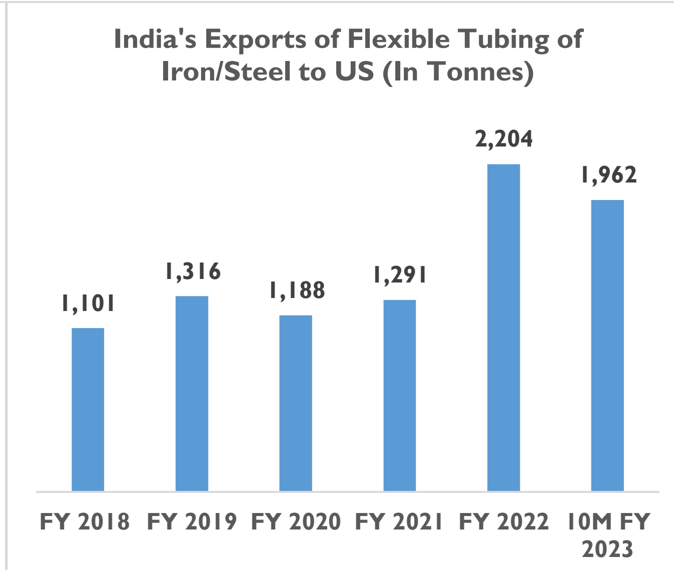
Source: Ministry of Commerce and Industry, Department of Commerce, Government of India

The five major export partners namely the US, UK, Singapore, UAE Saudi Arabia, account for nearly 52%, in value terms, of the overall exports of flexible tubing of iron/steel with/without fittings. In volume term, the five major export partners namely the US, Saudi Arabia, UAE, UK, and Italy, together accounted for 54% of the overall exports of flexible tubing of iron/steel with/without fittings.

The US has been consistently a major shareholder of the exports since FY18 and accounts for nearly 27% in value terms and 24% in volume terms of India's exports of this product.

Export Trend to the US

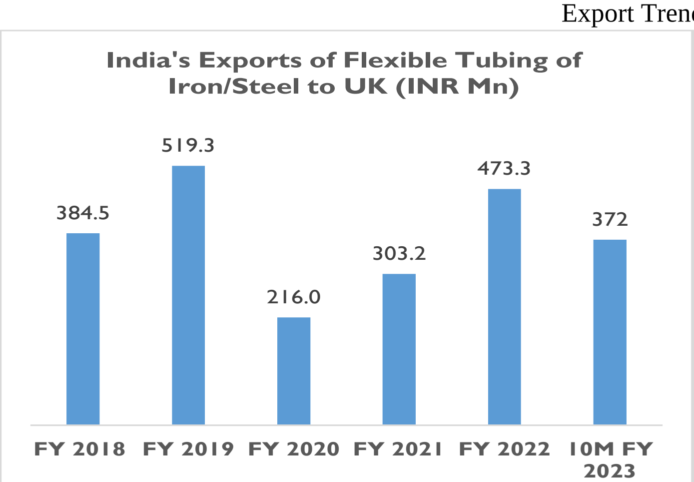


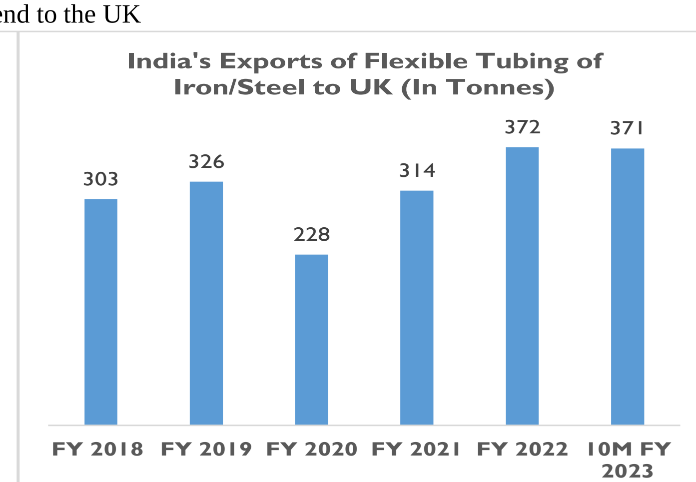


Source: Ministry of Commerce and Industry, Department of Commerce, Government of India

The US is among the largest exporters whose share has steadily grown from 20% in FY18 to 33% in 10M FY23 in value terms. For the same period, its share in volume terms has grown from 18% to 23%. Exports stood at Rs 1,425.6 million in FY22 growing by 26% CAGR from FY18 – FY22; in volume terms they showed 19% CAGR for the same period and stood at 2,204 tonnes in FY22. For 10M FY 2023, the export earning surpassed the FY 2022 value and stood at Rs 1,905 million against the volume of 1,962 tonnes of flexible tubing of iron/steel with/without fittings exports to the US.

Export Trend to the UK



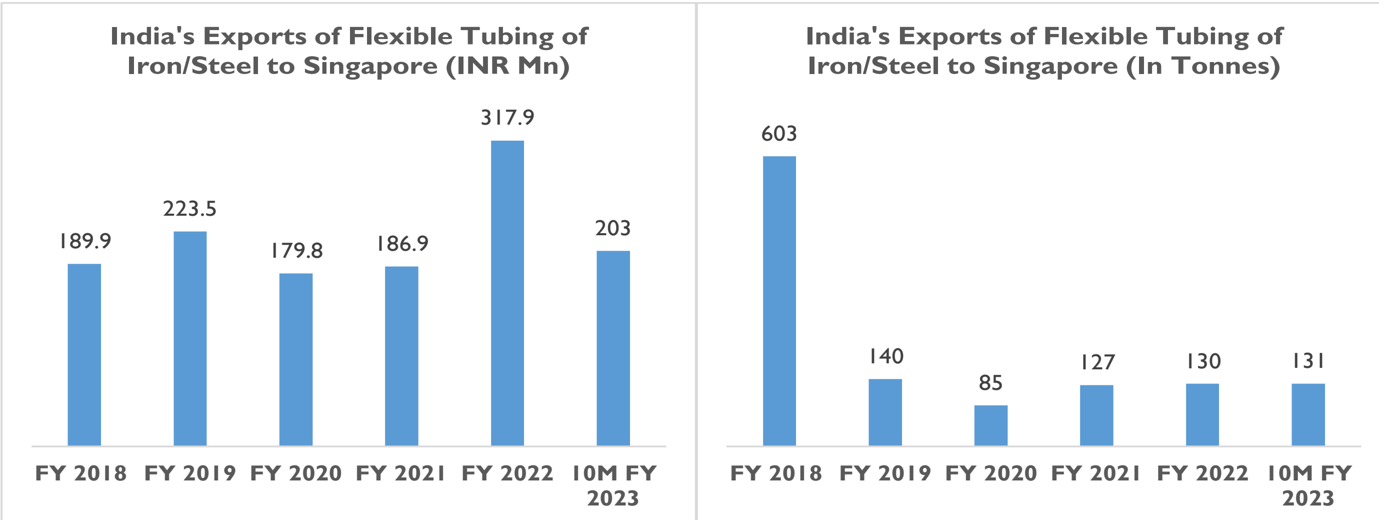


Source: Ministry of Commerce and Industry, Department of Commerce, Government of India

The UK stood as the second largest exporters in value term and fourth largest in volume terms in FY22 as well as during 10M FY23. However, its share has declined from 14% in FY18 to 9% in FY22 and 6% during 10M FY23. However, in volume terms, it has managed to retain its share at an average of around 4% between FY18 to 10M FY23. Exports stood at Rs 473.3 million in

FY22 showing 5.3% CAGR between FY18 – FY22; in volume terms too, they showed 5.3% CAGR for the same period and stood at 372 tons in FY22.

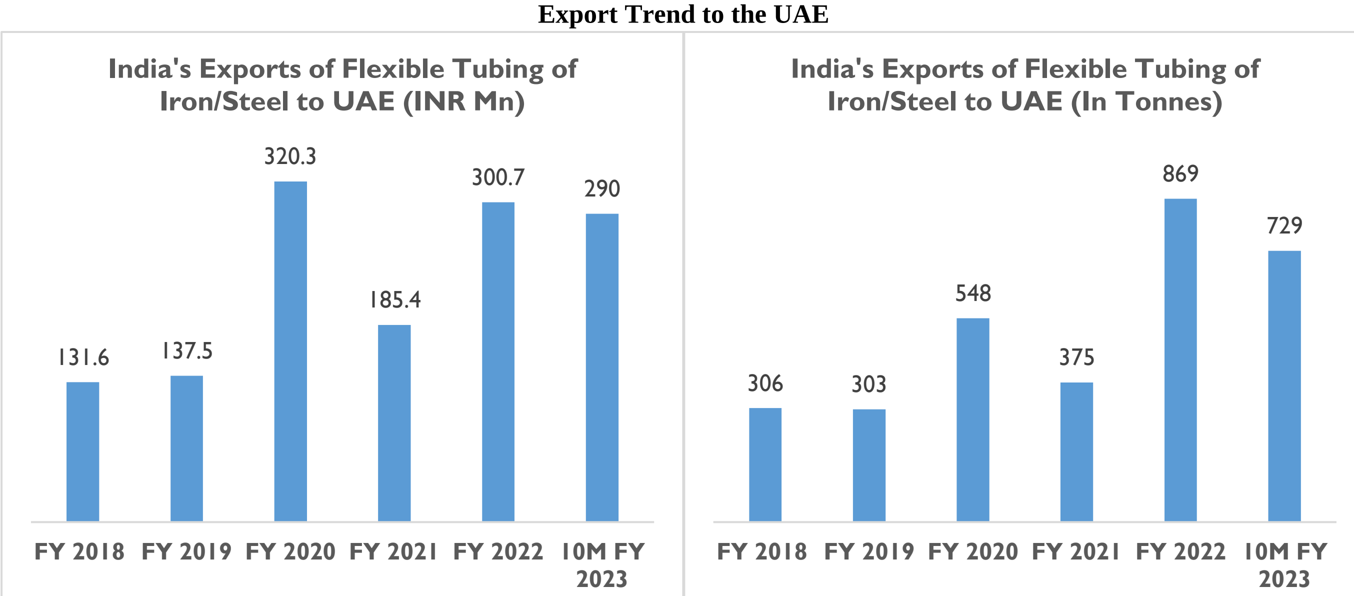
Export Trend to Singapore



Source: Ministry of Commerce and Industry, Department of Commerce, Government of India

Singapore emerged as the third largest export partner, however it managed to retain its share at in the range of 5 – 7% in value terms, between FY18 to FY22 while during 10M FY23 it reduced to 4%. In volume terms too, Singapore's share has decreased from 10% in FY18 to 1.4% in FY21 while it stood at 1.5% during 10M FY23. Exports stood at Rs 317.9 million in FY22 growing by 14% CAGR from FY18 – FY22; in volume terms they showed degrowth of 32% CAGR for the same period and stood at 130 tons in FY22.

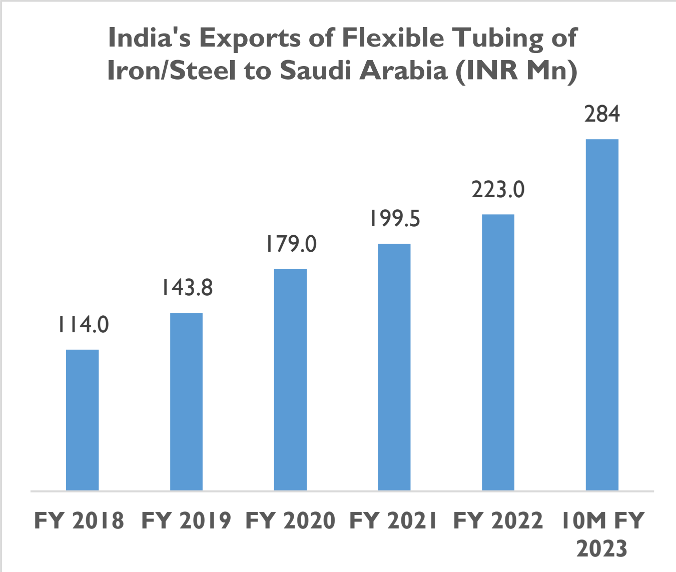
Export Trend to the UAE

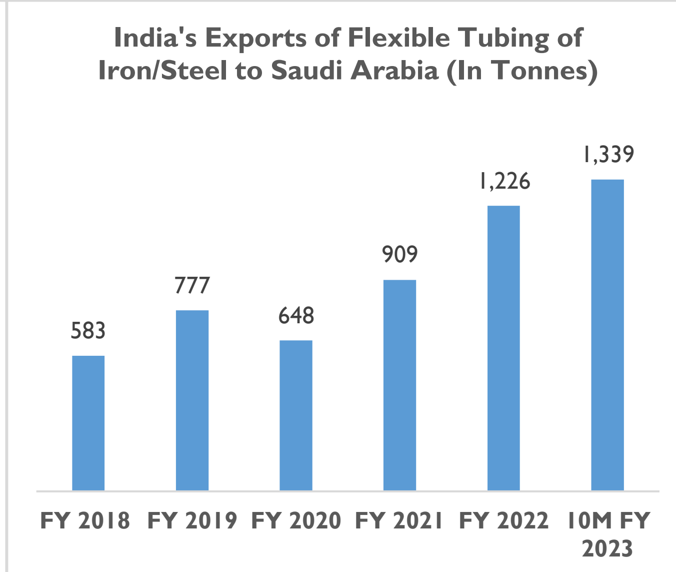


Source: Ministry of Commerce and Industry, Department of Commerce, Government of India

UAE's share has stood at an average of around 6% in value and 7% in volume terms between FY18 -10M FY23. Exports stood at Rs 300.7 million in FY22 growing by 23% CAGR between FY18 – FY22; in volume terms they increased by 30% CAGR for the same period and stood at 869 tons in FY22.

Export Trend to Saudi Arabia



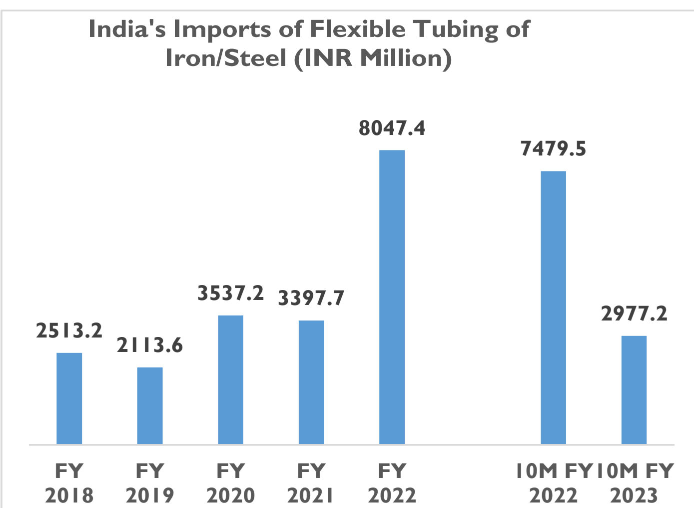


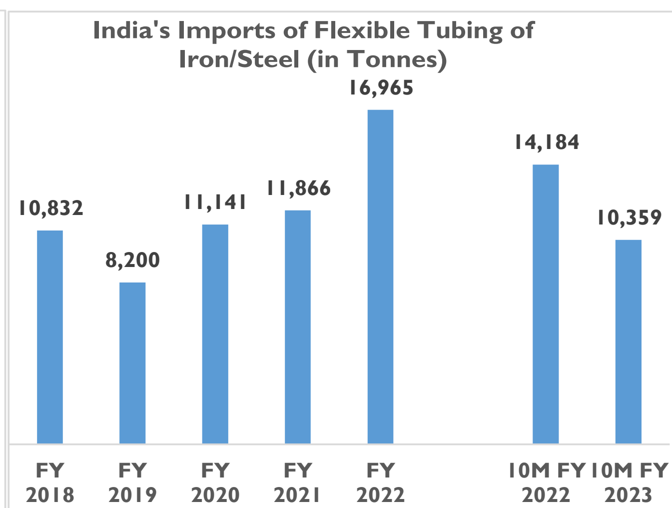
Source: Ministry of Commerce and Industry, Department of Commerce, Government of India

In volume terms, Saudi Arabia emerged as second largest export destination for India for flexible tubing of Iron/Steel contributing 13% to total export volume of the product. Saudi Arabia has managed to retain its share at an average of around 5%, in value terms, between FY18 to FY22 while in volume terms the share has increased from 9% in FY18 to 13% in FY22 and 16% during 10M FY23. Exports stood at Rs 223 million in FY22, growing by 18% CAGR from FY18 – FY22; in volume terms they showed 20% CAGR for the same period and stood at 1,226 tonnes in FY22.

Trend in Imports

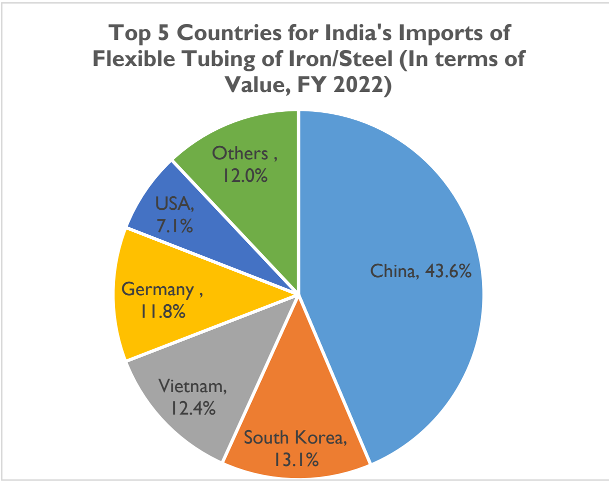
By volume, India turned into a net importer of flexible tubing of iron/steel with/without fittings from FY17 onwards while its net trade position turned negative by value during FY 2020 (Rs 13.11 million of net import) and in FY 2022 (₹2,789 million of net import). From FY18 – FY22, exports, in volume terms, grew at 10.7% CAGR whereas imports have grown at nearly 12%. The trend indicates that the industry could be impacted adversely due to lower price of imports, especially from China.

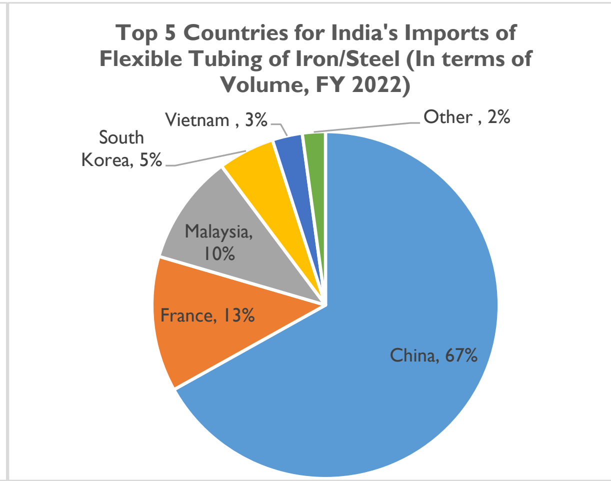




Source: Ministry of Commerce and Industry, Department of Commerce, Government of India

In volume terms, China is the single largest importer accounted for nearly 67% in FY22 of the total imports of flexible tubing of iron/steel with/without fittings compared to its 65% share in FY18 and 47.5% in FY15. In value term, China accounted for ~44 % share in FY22 which is an indication of the low-priced products that are sold in India.

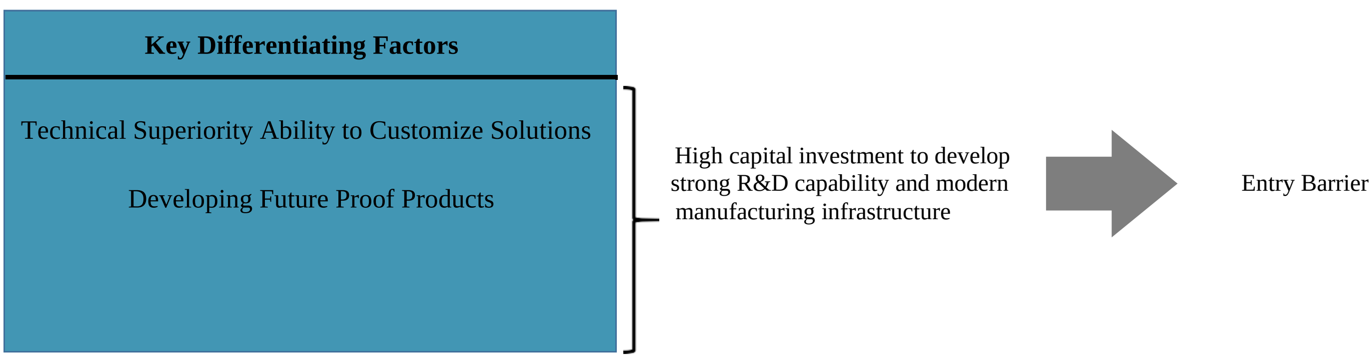




Source: Ministry of Commerce and Industry, Department of Commerce, Government of India

Competitive Scenario

Flexible Flow Solutions made with Stainless Steel Corrugation manufacturing landscape is fragmented, with numerous small and medium size players operating alongside few large players. However, there exists a technical barrier that clearly demarcates large established players from the smaller peers. The quality of corrugation and the stainless-steel braiding over the hose are the key differentiating factor, and so is the ability to design & create hose assemblies that emerging customer demands as well as new applications. Clear superiority on these factors is what has helped few large players cement their market leadership position.



Technical Superiority: Modern & world class manufacturing supported by a strong R&D and product development capabilities.

Given the ubiquitous nature of liquid /gas transfer across industrial / commercial / residential application, a hose assembly should be designed for use across industries while exposed to varied environmental conditions. This wide base of application meant a manufacturer should be able to offer a varied range of products. Hose assembly for heat tracing systems will be markedly different from one that is used in solar applications.

It is here that the attributes like the quality of steel alloy used, manufacturing infrastructure, R&D capability, type of fittings offered, corrugation technique used and finally the testing process comes into play. Smaller players in the unorganized segment, with their limited R&D capability and often older manufacturing process, is unable to create a large portfolio of products. In most of the cases these smaller players cater to generic requirements, wherein product differentiation is low, and competition is mainly determined by price as well as reach.

On the other hand, few large players in this industry have consistently invested in improving their R&D capability as well as manufacturing prowess which enabled them to create a rich portfolio of products. This expertise has helped the larger established players to efficiently cater to requirements from industries ranging from chemicals to ship building to HVAC. Developing strong product development capabilities has thus helped larger players (making up the organized segment) corner a substantial market share of demand emerging from large industries.

Moreover, this technical superiority has also helped the players in the organized segment to position themselves favorably in bagging large value deals. This technical superiority gives an edge when competing for complex contracts, like supplying piping solutions for LNG transfer, as well as applications in renewable energy and oil & gas sectors.

Thus, by a combination of sound R&D capabilities that has been leveraged to create a strong portfolio product, superior manufacturing infrastructure capable of meeting high volume demands, and quality standards – both in production and testing – the organized segment has managed to create a niche in this industry.

Factoring these, it would be inappropriate to treat Flexible Flow Solutions made with Stainless Steel Corrugation as a commodity product characterized by intense price-based competition. The technical capability is a hidden factor that makes or breaks a manufacturer in this industry.

Capability to provide customized solutions

Given the wide usage of the product it is routinely used in large capacity manufacturing plants as well as several complex end use applications. For a manufacturer to cater to the requirement emerging from large customers, the ability to move beyond a supplier to a solution partner is paramount. Large and well- established Flexible Flow Solutions made with Stainless Steel Corrugation manufacturers stands a better chance to make such a transition. Apart from complex product specifications, the per contract product volumes coming from large customers would be high. Here too the organized segment of Flexible Flow Solutions made with Stainless Steel Corrugation industry has an edge over its unorganized peers.

Future proofing

Aspects like factory automation, renewable energy solutions, and electric mobility are fast becoming mainstream. For Flexible Flow Solutions made with Stainless Steel Corrugation manufacturers, this development is bringing in new product requirements, some of which has not been used before. Flexible Flow Solutions made with Stainless Steel Corrugation assembly for liquid cooling solutions used in EV battery management, as well as those used to connect moving parts in robotic applications with their control valves are two prominent use cases. This meant the pace of technology innovation required in Flexible Flow Solutions made with Stainless Steel Corrugation manufacturing is becoming high.

With all the above-mentioned trends expected to become mainstream in the next couple of decades meant, the future demand for SS corrugated sheets would shift from traditional industrial sector to these emerging technology heavy sectors. Never before has investing in R&D capability as well as modernizing manufacturing infrastructure become more important in this industry. Smaller players with limited product development and manufacturing capability would be ill equipped to exploit this emerging opportunity. Moreover, these new applications would also expand the size of Flexible Flow Solutions made with Stainless Steel Corrugation market, providing an opportunity for large established manufacturers to substantially increase their annual turnover.

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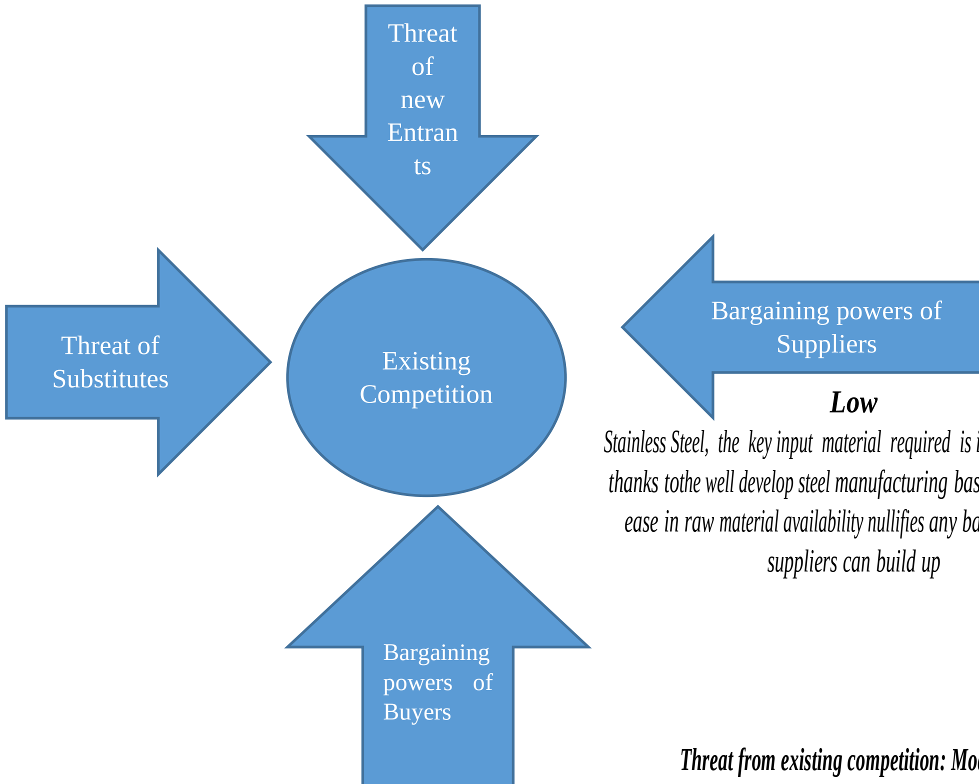
Porters' Five Force Analysis

Low
High entry barriers, in the form of investment required to build a strong R&D capability as well as modern manufacturing capability act as a deterrent for new players



Low
Flexible Flow Solutions made with Stainless Steel Corrugation is superior in all aspects compared to existing flexible hose made of rubber / PTFE / polymer.Moreover, this product is being positioned as the next level of product evolution. Any immediate introduction of substitute products appears unlikely

Low
Stainless Steel, the key input material required is in ample supply, thanks tothe well develop steel manufacturing base in India. This ease in raw material availability nullifies any bargaining that suppliers can build up

Threat from existing competition: Moderate
There is no threat posed by unorganized segment. However, inthe organized segment few playershave developed the capability to supply superior & customized products. However, significant switching cost associated with changing the Flexible Flow Solutions assembly limits the competition

Moderate
Large customers (large manufacturing plants & other leading players in their respective fields) do wield bargaining power. However, the limited number of large established players meant this bargaining power is moderate

Major Challenges

One of the challenges that is causing a hurdle is the cost factor, but that is because of the lack of awareness among users. The advantages that Flexible Flow Solutions made with Stainless Steel Corrugation have over rubber / polymer hose far outweighs the cost differential which is tilted towards the later. This challenge can be addressed by increasing the awareness level among user segments, for which manufacturers would have to take initiative. This can be easily achieved among large users (large manufacturing plants), who are more concerned with product quality that price. Once Flexible Flow Solutions made with Stainless Steel Corrugation can be positioned as the preferred piping option among these large users, it would easily trickle down to consumers.

Rising imports, mainly from low-cost destination like China is creating material harm to the domestic industry. Given the higher input cost and other overheads, domestic manufacturers find it difficult to compete with Chinese imports based on price. Government level initiatives, to create a level playing field would help in nullifying this challenge.

Growth Forecast

In the short term, the demand for Flexible Flow Solutions made with Stainless Steel Corrugation will be driven by traditional customer segments like process industries (manufacturing plants in industries ranging from Chemicals to paper), and HVAC system. Capacity expansion and plant modernization (which would create an opportunity to replace existing rubber / PTFE / polymer hose with Flexible Flow Solutions made with Stainless Steel Corrugation) would be the key factors that would be driving demand for Flexible Flow Solutions made with Stainless Steel Corrugation from these traditional sectors. Given the mature nature of these end use consumers, the above-mentioned factors would ensure a stable demand for Flexible Flow Solutions made with Stainless Steel Corrugation.

However, the long-term growth will be driven by novel applications in sectors like energy storage (specifically Li-ion batteries), semi-conductor manufacturing, and aviation, specifically drones.

Demand from Energy Storage Application

The usage of Flexible Flow Solutions made with Stainless Steel Corrugation, as piping system in indirect liquid cooling system in battery packs meant the growth in demand for Li-ion battery packs will directly influence the demand for the former. Although Li-ion batteries is used extensively in mobile devices like laptop and mobile phones, those are smaller units that does not have cooling systems. Direct or indirect cooling system is used by larger battery packs that are used to power vehicles or used as stationary energy storage.

In the coming years, the demand for Li-ion battery packs will be heavily influenced by two sectors: electric vehicles and renewables (where it is used for storing renewable energy generated). Both these industries are at its infancy in India, as a result of which the existing demand from these sectors is insignificant. However, the sustainable development path laid out by the Government would create high demand for clean energy, and in turn associated energy storage devices.

Aggressive Focus on electric mobility

Indian Government, in September 2017 announced the ambitious electric mobility policy which proposed 100% electric mobility by 2030. In sheer volume, this involved converting around 250 million vehicles to electric. To achieve this the Government has outline a roadmap by which 100% of annual sale of two wheelers and three wheelers in the country should be completely electric by March 2023 and March 2025 respectively[1].

Since then, the Government has scaled down this 100% electrification target to 30%, on the face of resistance from automobile industry players. NITI Ayog, has revealed its plan of achieving 100% electrification target in two-wheeler space by 2026, for which the agency is working in partnership with private sector. Given the track record of EV sales in India, chances of achieving these targets by 2030 looks slim.

[1] All two wheelers excluding those above engine capacity 150cc

If India achieves the 30% electrification target by 2030, that will result in Indian EV stock crossing 100 million units. To achieve this goal, it is estimated that nearly USD 190 – 200 Bn of investment is required across vehicle manufacturing, charging infrastructure, and battery manufacturing. Such an aggressive growth in electric mobility is not possible without lowering the import dependency on Li-ion batteries. The Government has rolled out a Production Linked Incentive (PLI) scheme for encouraging domestic production of batteries, and as per its conservative estimate approximately 110 Gwh of battery manufacturing capacity will be installed in the country by 2030.

Growth in Solar Energy

Aggressive push for clean technology for sustainable development adopted by the Government to achieve the twin objective of reduction of carbon footprint as well as to reduce dependency on hydrocarbon-based power generation will continue to augment growth of the renewable energy sector. The Govt. has committed to reduce carbon emissions by 30% to 35% and increase renewables to 40% of the energy mix by 2030. Progressing with bullish approach on renewables, India has raised 450 GW of renewable energy by 2030. Moreover, a significant portion of new power installations will continue to come from renewables led by solar. Of the FY 2030 target, 280 GW of total 450 GW would come from solar power. To achieve the pledged target, around 25 GW of solar energy capacity is needed to be installed every year, till 2030.

Year	Solar	Total RES
2022	100	**175**
2030	280	**450**

Source: Ministry of New and Renewable Energy

Demand from Emerging Manufacturing Segments

Manufacturing high precision products like semiconductor and robotic applications (industrial robots, drones etc) require piping systems that can match the level of precision requirement in manufacturing. In the case of semiconductor, the piping system is used in the equipment used in manufacturing process. In the case of robotics, the piping systems is used in the final product and powers the core function of the products. In both the case Flexible Flow Solutions made with Stainless Steel Corrugation is the clear favourite, due to the high level of precision offered, resistance to extreme temperature and pressure condition, inert nature, and high quality of input material (stainless steel) used. Given this, the advances in semiconductor manufacturing as well as adoption of robotics will give a direct boost to the demand for Flexible Flow Solutions made with Stainless Steel Corrugation.

Demand from semiconductor industry

Fluctuating demand from consumer segments, and disruptions in supply chain – both of which can be attributed to the onset of Covid-19 pandemic – has created a worldwide semiconductor shortage. Automobile industry is the most affected, with potential losses - due to inability to manufacture vehicles to meet the demand – pegged at billions of dollars in this year and the very next year. Semiconductor manufacturing is a very niche segment and is concentrated in few hubs – mainly Taiwan, and few plants in Japan, South Korea, and the US. The high cost associated with setting up a manufacturing plant, and strong R&D capability required has acted as steep entry barriers.

However, the ongoing shortage in semiconductors has created a need for expanding the production capacity. In 2021 semiconductor manufacturers is estimated to have spent nearly USD 146 Bn on production capacity and research, with TSMC, Samsung and Intel accounting for nearly 60% of the total pie. This magnitude of capital investment is expected to continue for the next three to four years. TSMC has committed an investment of USD 100 Bn over the next three years to increase its production capacity, with nearly half of that investment expected in 2022. In March 2021, Intel announced its plan to spend USD 20 Bn to expand its production capacity in Arizona.

Indian semiconductor market is estimated to be worth ₹1.3 Trillion in 2020 and is expected to reach ₹4.7 Trillion by 2026. In December 2021, the Union Government approved a production linked incentive (PLI) scheme worth ₹76,000 Crore to improve semiconductor and display manufacturing capabilities in India. The objective of the scheme to make India a key design & manufacturing hub for semiconductors over the next five to seven years. Notable firms like Vedanta and Tata Group have evinced interest in entering this segment, with Vedanta announcing a USD 15 Bn capital investment plan to develop semiconductor and display manufacturing infrastructure in the country.

This immense interest in semiconductor industry, backed by plans by various firms would create strong demand for components like Flexible Flow Solutions made with Stainless Steel Corrugation that are used in equipment that are used in semiconductor manufacturing plants.

Demand from robotic applications

Robotics encompasses such diverse areas of technology as mechanical, electrical, and electronic systems, computer hardware and computer software. This segment is witnessing rapid innovation, with applications across economic sectors. But the most visible application is its usage in industrial plants, as part of factory automation trend that is catching up across the globe.

India has made rapid strides in installing industrial robots. In 2018 nearly 5,000 industrial robots were installed in the country compared to more than 150,000 installed in China. However, by 2020 the annual installation jumped to 26,000 units, making the country one of the top 10 countries in terms of number of installations. Industry 4.0, the next level of evolution in the manufacturing industry and increased penetration of Industrial Internet of Things (IIoT) is expected to increase the pace of automation in manufacturing sector. This would create higher demand for industrial robots.

The strong growth in Li-ion battery manufacturing, increase in solar power generation capacity, expected growth in semiconductor manufacturing, and more towards industrial automation is expected to be a positive for the Flexible Flow Solutions made with Stainless Steel Corrugation segment. Given the universal application potential of this product, the evolving economic scenario – specifically the above-mentioned developments – would create a favourable demand climate for Flexible Flow Solutions made with Stainless Steel Corrugation.

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OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 27 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" on page 37 for a discussion of certain risks 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. Our fiscal ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year.

Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Consolidated Financial Information for Fiscals ended 2023, 2022 and 2021 included in this Prospectus. For further information, see "Restated Consolidated Financial Statements" on page 222.

Unless otherwise indicated, industry and market data used in this chapter has been derived from the "Flexible Flow Solutions Market in India Report March 2023" prepared by D&B issued March 29, 2023. For details, see "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page 21.

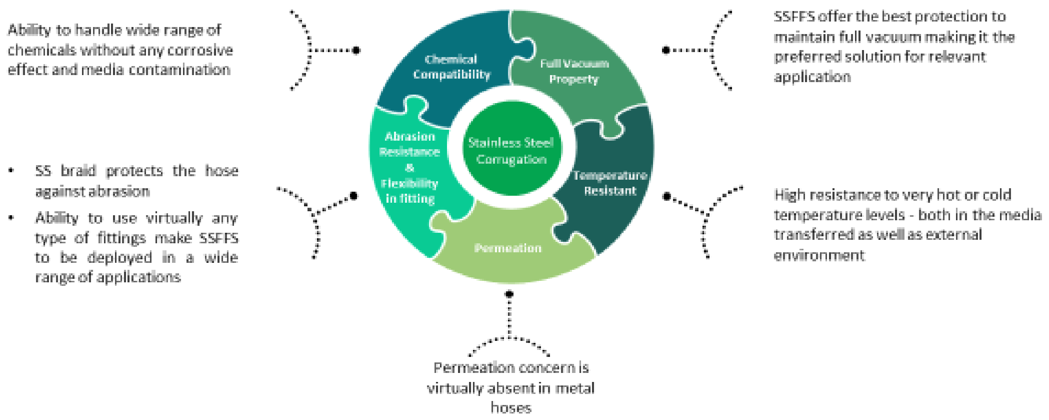
Overview

We are manufacturers and suppliers of environment friendly metallic flexible flow solution products including braided hoses, unbraided hoses, solar hoses, gas hoses, vacuum hoses, braiding, interlock hoses, hose assemblies, lancing hose assemblies, jacketed hose assemblies, exhaust connectors, exhaust gas recirculation (EGR) tubes, expansion bellows, compensators and related end fittings collectively known as flexible flow solutions catering to global as well as domestic markets. We export our products to more than 80 countries including Europe, USA and others. For Fiscals 2023,2022 and 2021 our exports were ₹2,171.80 million, ₹2,035.59 million and ₹1,171.15 million which constituted 80.60%, 84.53%, and 80.90% of our revenue from operations respectively .We supply our products to a wide spectrum of industries for controlled flow of all forms of substances including air, liquid and solid. For the Fiscals March 31, 2023, 2022 and 2021, we served total 723, 606 and 538 customers out of which we served 217, 190 and 169 customers across 51, 49 and 43 countries respectively and 506 , 416 and 369 domestically.

Flexible flow solutions play a critical role in transfer of substances (air, liquid and solid) in any industrial or commercial ecosystem, connecting the origin and end points of various processes. For example, flow solution products are required in fire sprinklers, gas supply, flow of air (conditioned / controlled) in aircrafts, fueling and hydraulics in aircrafts. Our capabilities to provide customised solutions up to the assemblies level enable us to tap flexible flow solutions value chain. Our product categories include braided hoses, unbraided hoses, solar hoses, gas hoses, vacuum hoses, braiding, interlock hoses, hose assemblies, lancing hose assemblies, jacketed hose assemblies, exhaust connectors, exhaust gas recirculation (EGR) tubes, expansion bellows, compensators and related end fittings. As on March 31, 2023, we had more than 1,700 Product SKUs (Stock Keeping Units) in our product portfolio.

We are into metallic flexible flow solutions made of SS. We have recently developed products made of bronze as well. Our products replace flow solutions made of rubber and polymers. Flexible flow solutions made with stainless steel corrugation are becoming a preferred solution because of their numerous advantages. The technical characteristics of SS is the basic attribute that imparts flexible flow solutions made with stainless steel corrugation with its advantages including resistance to external elements, maintaining the quality of media transferred, resistance to abrasion and corrosion, low probability of catastrophic failure, resistance to temperature, maintenance of full vacuum, compatibility to chemicals, among others *(Source: Flexible Flow Solutions Market in India Report March 2023).*

Advantages of Stainless Steel Flexible Flow Solutions over Conventional Flow Solutions

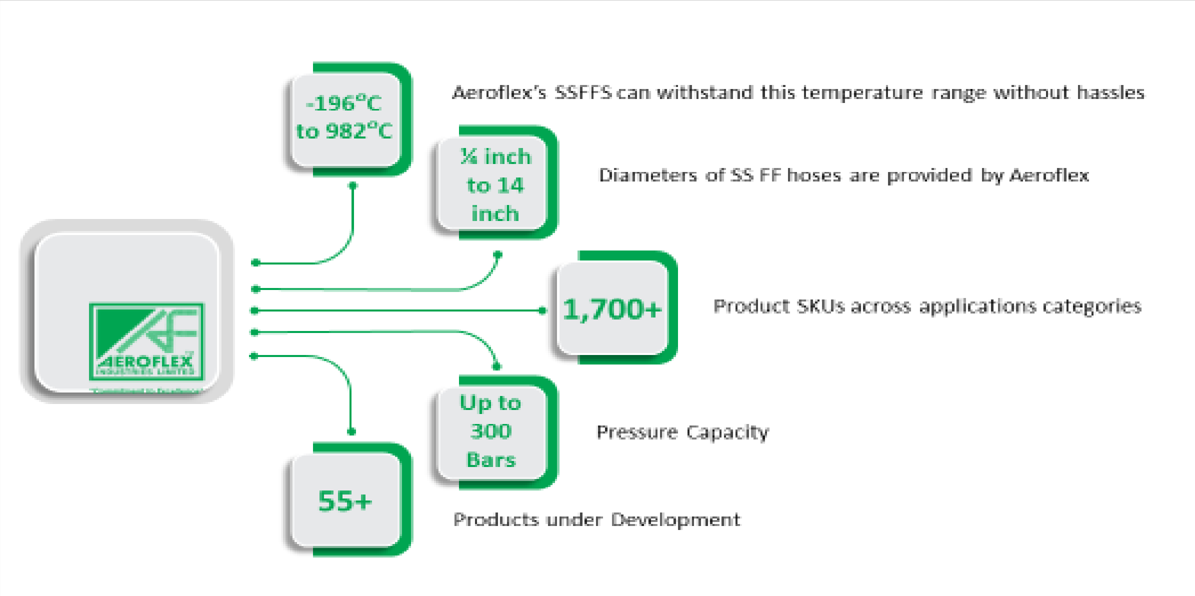


Metallic flexible flow solutions made with stainless steel produce significantly lower carbon emissions than those made with synthetic rubber making our products environment friendly and business model green & sustainable.

Despite of being highly durable over other non-metallic materials for constant flow of substances, our products require replacements due to reasons including operational efficiency, regulatory requirements and zero waste and leakage requirements (for example usage location within the plant or setup, external temperature and ambience conditions, vibrations and movement frequency), after a certain period of time as per the customers' policies or applicable regulatory requirements. These make our solutions an integral part of the lifecycle of an industrial ecosystem and create continuous demand for our products. Our SS flow solutions are meant to work for a specific lifespan specified by our customers which generates significant replacement demand for our products from existing customers.

Our flexible flow solutions made with stainless steel corrugation conform to BS 6501 Part 1, ISO 10380 and PED CE and are manufactured as per type A, B, and C flexibility. We offer a range of metallic flexible corrugated hoses with diameters starting from ¼ inch to 14 inches. Our solutions are capable to handle varied environmental and work conditions and are designed to handle temperatures levels from negative 196 degrees celsius to 982 degrees celsius and pressure handling capacity of upto 300 bars. In addition to certifications, our customers, specially the Original Equipment Manufacturers (OEMs), who use our products as a component in their own end products, perform detailed evaluation procedures on our product quality, processes, manufacturing facility and operations before approving us as their supplier. The stringent customer protocols act as a natural quality benchmarking and at the same time poses meaningful trade barriers.

Aeroflex provides complex flow solutions for applications in challenging environments. Such curated solution capabilities enables our Company serve 151 as a Solutions Company and not merely a Products Company.



Complexity of the research and product development, varying product applications, necessary technical expertise, precision involved, lengthy and stringent customer qualification processes, are some of the entry barriers (to new entrants) as well as exit barriers (to existing customers) in our business. For further details on trade barriers, please see section titled '*Our Business-Competitive Strengths*' on page 152.

Broad Description of our Products Offerings.

As of March 31,2023, our product portfolio comprised Stainless Steel Corrugated Flexible Hoses (with and without braiding), SS Braiding, Interlock Hoses and Assemblies catering to a diverse range of end user industries, including steel, oil and gas fire sprinklers, refineries aerospace & defence, fire sprinklers & fire fighting, metals & mining, solar and other flexible flow solution, for flow of all forms of substances including air, liquid and solid.

The table below sets forth certain information on our key products, their applications, and the industries such products are used in:

Product	Description	Pictures
Stainless Steel Corrugated Flexible Hoses (With and Without Braiding)	Made from SS sheet which is rolled and welded at the seam resulting in the formation of a thin walled and gas tight tube. Corrugations are added to the outer surface of the hose to impart flexibility. Two types of corrugation – annular or helical is applied. Corrugations are formed through one of two processes: hydro-formed or mechanically formed. Segmentation of the flexible hoses into annular or helical is dependent on the orientation of the corrugation. In annular, each corrugation is independent and parallel to each other. On the other hand, in helical, it is one continuous corrugation that spirals around the flexible hose.	   
Stainless Steel Braiding	Braid is the outer cover made of wire of SS or similar alloy which is wound tightly over the corrugated Flexible Flow Solutions. Braiding helps the flexible hoses to withstand high pressure, widening its application segment. Braid applied can be either single braid or multiple braid, while braided braid is used on large-diameter hose.	 
Stainless Steel Interlock Hoses	Interlock hoses are helically coiled metallic strip that is mechanically locked with the adjacent edges folded together to form interlocked convolutions (two profiled lock sections). They are used in medium pressure applications and can also be used as an outer jacket for insulated pipelines.	  

Product	Description	Pictures
Assemblies	Fittings attached to both ends of the flexible hoses is used to connect it for intended applications. Fitting of various types can be welded / soldered to the hose ends. This flexibility in fittings widens the scope of applications where flexible hoses made with stainless steel corrugation can be used. Once fittings are attached to the hose, the component is termed as assembly.	     

Following is the product mix of our Company in terms of end use segment / industry across Fiscals 2023, 2022 and 2021.

Use of flexible flow solutions across large number of industries. Some of the applications are listed below:

Industry	Applications
Fire Sprinklers	High-pressure hoses are used in fire sprinkling systems to carry water or other fire retardants to a fire to extinguish it. Outdoors, it attaches either to a fire engine, fire hydrant, or a portable fire pump. Indoors, it can permanently attach to a building's standpipe or plumbing system.
Aerospace and Defence	Flexible flow solutions are used in transfer of fuel, lubrication, compressed gases, water, coolant across the aircraft systems and in a complex array of hydraulic systems that are responsible for the movement of the flight control surfaces and brake system, where a great amount of flexibility is required. They are also used as connectors in metal tubing systems.
Semiconductors	The semiconductor hose & assemblies market is unique in that much of it consists of small diameters used in discrete as opposed to process applications. Ultrapure water is used to wash chips and to deliver various chemicals for chip treatment; fabrication requires hundreds of tools; various gases and liquids are used to treat each chip. Therefore, large numbers of SS hoses and assemblies are used for these operations.
Robotics and Automation	SS flexible flow solutions Used in pneumatic systems, robotic welding systems, end-of-arm tooling, general robotics & automation systems, among others.
Hydrogen	SS flexible flow solutions are used in the new age hydrogen fuel storage, dispensing and transportation.
Electric Mobility	SS flexible flow solutions in Electric Vehicles (EVs) are used for thermal management. EVs require different types of hoses and fluid transfer assemblies. EVs draw power from large batteries that generate a lot of heat; complex flexible flow solutions are wrapped around the battery and its compartment for thermal management.
HVAC	SS flexible flow solutions' are able to avoid thermal expansion caused by temperature fluctuations as well as avoid vibrations in HVAC systems. It is increasingly replacing rigid piping systems. Additionally, the ease of installing is also tilting the preference to metal hoses.

Industry	Applications
Natural Gas	Liquefied Natural Gas (LNG) is transferred at extremely low temperatures. Flexible flow solutions with their temperature resistance properties are used to efficiently transfer the LNG.
Steel and Metal	In steel and metal plants, flexible flow solutions are used in blast furnaces, BOF furnaces, coke over & coke by-product transfer, boiler & generation units, high temperature lubricating lines, cooling water hoses, and vacuum degasser, among others
Petrochemicals and Oil Refineries	Used as a preferred piping solution for process piping, transfer of plastic resins, and steam lines, among others. In oil refineries, flexible flow solutions made with SS corrugation are used to transfer hydrocarbons, steam and by-products & additives associated with the refining process. Some of the application areas include hydrocarbon drain hoses, steam lines, lube oil & grease plant process lines, gas burner connections, process line connections, etc.
Solar	Solar hoses are used for solar panel water connection and other heating items. They are used to transport hot and cold water between solar thermal panels and a hot water storage tank.
Bulk Terminal Handling	Used to move dry, abrasive materials such as cement, fertilizers, fly ash, glass, gravel, rock salt, etc. Bulk material handling hoses attach to a suction, pneumatic or gravity-powered material handling system.
Chemicals, food and Pharmaceuticals	Used for transfer of chemicals in chemical processing, transfer and loading/unloading of liquid chemicals (e.g. tank trucks, rail tankers, IBC containers), for diverse technological processes in the chemicals. SS to transfer food and pharma products internally in the plant for various processes
Paper and Pulp	To transfer and move steam and chemicals during the manufacturing process of paper and pulp. Flexible flow solutions are also used to transfer various by-products generated by during the paper manufacturing process.

The following table sets forth a breakdown of our revenue from operations from various industry segments, in absolute terms and as a percentage of total revenue from operations, for the periods indicated:

(₹in million)

Industry / Sector	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Revenue	%	Revenue	%	Revenue	%
Steel	576.81	21.96%	509.51	21.72%	381.79	27.16%
Oil and Gas	497.39	18.93%	375.31	16.00%	200.19	14.24%
Refineries	432.17	16.45%	316.67	13.50%	171.59	12.21%
Fire Sprinklers & Fire Fighting	430.79	16.40%	572.10	24.39%	285.99	20.35%
Chemicals & Petrochemicals	412.39	15.70%	351.85	15.00%	228.79	16.28%
Metals & Mining	215.18	8.19%	159.61	6.80%	111.96	7.97%
Solar	17.14	0.65%	-	-	-	-
Others	45.33	1.73%	60.63	2.58%	25.24	1.80%
Total	**2,627.20**	**100%**	**2345.68**	**100%**	**1405.56**	**100%**

Our products cater to diverse industry segments and our revenue mix can significantly change during any year. The wide application of our products lend diversity and mitigates industry specific risk.

Our manufacturing facility, located at Taloja, Navi Mumbai in the state of Maharashtra, is spread across 3,59,528 square feet of area. Our manufacturing facility has been duly certified in accordance with international standards of quality management systems, environmental management systems, health and safety management systems including Annex III, Module H of Directive 97/23/EC on Pressure Equipment, Management System as per ISO

9001:2015, Environmental Management System-ISO 14001:2015, ISO 45001:2015 (Occupational Health & Safety), Testing Certificate-Gas Hoses-1/2"NB Hose Assembly, NABL ISO /IEC 17025:2017, Statement of Conformity for design, manufacturing and testing of SS corrugated flexible Hose Assembly, Statement of Conformity for Quality Procedures applied standard EN ISO 10380:2012 and BS 6501-1 (E:2004), Certificate of Design Assessment.

Our manufacturing facility is equipped with mechanical and hydraulic corrugation machines, interlocking machines, braiding machines, bobbin machines and assemblies equipment. Each product is subjected to stringent quality testing and assurance processes before being packed and dispatched to customers. Our quality control and assurance team comprises 25 members. Based on the type of the product, the testing and quality team performs various tests on the finished products including Leakage Test, Ultrasonic Test, Vacuum Test, Leak Tightness Test, Pressure Resistance Test, Elongation Test, Burst Test, Pliable or Static Bend Test, Fatigue Tests or U-Bend Test, Cantilever Bend Test, Electrical Conductivity Test and Non-Volatile Residue Test. All these tests confirm to the requirements and standards of ISO 10380:2012. We also have an in-house Design, Research and Development team of 7 members which assists in designing the products based on the technical specifications received from the customers, conducts research on existing and new materials, production processes improvement, emerging product types and end applications and develop new products.

Our manufacturing facility, our product integration capabilities up to assemblies level, new product development capabilities, R&D and continuous focus on product quality have been key to our ability to serve a diverse range of industries across the globe and cater to the demand of increasing number of customers year on year. During For the Fiscals March 31, 2023, 2022 and 2021, we served 723, 606 and 538 customers out of which we served 217, 190 and 169 customers across 51, 49 and 43 countries respectively and 506 , 416 and 369 domestically. Also, we developed 63 new products over Fiscal 2020 to Fiscal, 2023. Our work culture evolves around minimum tolerance and rejection policy. Majority of our revenue is derived from export of our products and our Company is a recognised two start export house by the Director General of Foreign Trade, Government of India. For Fiscals 2023, 2022 and 2021 our exports were ₹2,171.80 million, ₹2,035.59 million and ₹1,171.15 million which constituted 80.60%, 84.53%, and 80.90% of our revenue from operations respectively. For Fiscal 2023, we exported our products to 51 countries. To further expand our international presence and serve our export markets better, our Company has incorporated a wholly owned subsidiary in the United Kingdom (UK) in the name of "Aeroflex Industries Limited" in 2019. We have also appointed exclusive distributors in the United States and Brazil for sale and distribution of our products.

Diversified Sales and Distribution Channel Ensuring Global Coverage

Our diversified customer base comprises distributors, fabricators, MROs i.e. Maintenance Repair and Operations Companies, Original Equipment Manufacturers (OEMs) and companies operating in a wide range of industries. For the Fiscals March 31, 2023, 2022 and 2021, we served 723, 606 and 538 customers out of which we served 217, 190 and 169 customers across 51, 49 and 43 countries respectively and 506 , 416 and 369 domestically. Our customer base can be broadly classified as follows:

- ***Distributors***: They are aggregators / stockists of various engineering materials and solutions who supply to end user companies. We sell our products to distributors in bulk as per the specifications provided by them who in turn supply to their customers.
- ***Custom Fabricators:*** They are custom fabrication and engineering companies who execute projects for their end customers and use our flexible flow solutions as part of those projects.
- ***MROs:*** MROs supply various components and items including flexible flow solutions, to large number of industries for their maintenance, repairs and operations purposes (replacement and replenishment demand).
- ***Original Equipment Manufacturers (OEMs):*** They are manufacturer of various equipment under their own label and use our products as some of the components in those equipment.
- ***Companies using the flexible flow solutions as part of their operations (Direct Users):*** These are the organisations who use our products directly in their plants / refineries / operations for flow of substances. We supply our products directly to these companies without involvement of any middlemen.

Financial and Operational Metrics

Our revenue from operations comprises revenue from (i) sale of products; and (ii) other operating revenue. Sale of products comprises of sale of flexible flow solutions including hoses, assemblies and fittings and braiding in exports and domestic markets. Other operating revenue comprises of sale of scrap, gain on foreign exchange fluctuation and other operating income. Our revenue from operations increased by 11.90% to ₹ 2,694.61 million in Fiscal 2023 from ₹ 2,408 million in Fiscal 2022, primarily led by strong demand in our domestic markets where our revenue grew by 47.29% to ₹ 433.45 million in Fiscal 2023 from ₹ 294.28 million in Fiscal 2022. In domestic markets, we served total of 506 customers during Fiscal 2023 as against 416 customers during Fiscal 2022. Similarly, our revenue from exports market grew by 6.69% to ₹ 2171.80 million in Fiscal 2023 from ₹ 2035.59 million in Fiscal 2022. In exports markets, we served total of 217 customers during Fiscal 2023 as against 190 served during Fiscal 2022. Our revenue from operations grew at a CAGR of 36.43%, our EBITDA grew at a CAGR of 55.54% and our profit after tax grew at a CAGR of 123.97% between Fiscal 2021 and Fiscal 2023. The following table sets out key financial parameters in the relevant periods:

(except rations and percentages, all figures are in ₹ million)

Particulars	**As at / for the fiscal year ended March 31,**		
	2023	**2022**	**2021**
Revenue from Operations	2694.61	2,408.00	1,447.74
Total number of customers served (Nos.)	723	606	538
Total capacity utilisation (%)	83.16%	90.41%	71.01%
Exports revenue as % of revenue from operations	80.60%	84.53%	80.90%
Foreign currency gain / (loss)	53.13	32.37	19.21
Cost of goods sold as % of revenue from operations	63.11%	64.81%	64.62%
EBITDA	540.33	466.92	223.35
EBIT	488.14	425.08	185.57
PAT	301.52	275.06	60.11
EBITDA Margin	20.05%	19.39%	15.43%
PAT Margin	11.19%	11.41%	4.15%
Net Worth	1140.93	862.23	587.17
Total Borrowings	450.06	391.27	530.68
Return on Equity (ROE)	26.43%	31.90%	10.24%
Return on Capital Employed (ROCE)	31.91%	36.29%	17.13%
Earnings per Share (EPS)	2.64	2.41	0.53
Net Asset Value (NAV) per Share	9.98	7.54	5.14
Debt to Equity Ratio	0.39	0.45	0.90
Fixed Asset Turnover Ratio	4.85	5.26	3.37

As certified by Ms Shweta Jain & Co., Chartered Accountants through their certificate dated August 11, 2023, 2023. For further details pertaining to notes on key performance inductors please refer to chapter titled "Basis of Offer Price" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on page 114 and 226 respectively.

Our Strengths

We consider our business strengths to be the following:

Global flexible flow solutions provider operating in addressable market, catering to diverse industry segments

We are a global flexible flow solutions company developing and manufacturing metallic flexible corrugated hoses, assemblies and fittings for diverse range of industrial sectors, which are used on an ongoing basis for efficient flow of varied types of materials and substances including liquid, air and solid from one point to another. This makes these solutions critical to the substance, process and the entire eco-system. Our manufacturing facility and certified processes, our global footprint and exposure in over 80 countries, our track record of commercialising and scaling up new products and our research and development capabilities, position us advantageously to capture requirements of diverse end user industrial sectors.

As per the Industry report dated March 29, 2023 global SS flexible hose industry is estimated to be worth USD 25 Billion in 2020 with the size of SS corrugated hose estimated at USD 12.5 Billion which is slated to grow to USD 38 Billion and USD 18 Billion by 2027.. The key drivers for our flexible flow solutions are rapid urbanization which has accelerated the pace of the infrastructure developments and real estate construction that has triggered the demand of HVAC system and translated in promising outlook for SS flexible hoses. Moreover, large scale industrialization and modernization in agriculture and key manufacturing sectors is fuelling the demand for SS corrugated hose (industrial hoses) *(Source: Dun and Bradstreet Report March 2023)*

Our flexible flow solutions find applications in diverse industrials segments across the globe. We believe that growth of our business is directly linked to the growth in both traditional industrial segments including Manufacturing, Automotive, Oil & Gas (Exploring & Refineries), HVAC among other as well as Emerging Industries including Renewables (Solar), Lithium-Ion Battery Management, Semiconductor Manufacturing, Robotics (Industrial robots & Drones) among others where our solutions are used. *(Source: Dun and Bradstreet Report March 2023)*

Export oriented business model

For Fiscals 2023, 2022 and 2021 our Company's exports were ₹2,171.80 million, ₹2,035.59 million and ₹1,171.15 million which constituted 80.60%, 84.53%, and 80.90% of our revenue from operations respectively. For the Fiscal March 31, 2023, we exported our products to 51 countries. Over the period, we have been able to establish significant presence in the exports markets through providing specified SS flexible flow solutions across industries. Below are the country wise exports of our products as a % of our revenue from operations for Fiscal 2023, 2022 and 2021:

(₹ in million)

Name of Country	Revenue from export for Fiscal 2023	Fiscal 2023	Revenue from export for Fiscal 2022	Fiscal 2022	Revenue from export for Fiscal 2021	Fiscal 2021
USA	763.21	28%	775.49	32%	382.71	26%
UAE	187.39	7%	146.65	6%	49.59	3%
Italy	119.34	4%	121.06	5%	103.82	7%
Spain	118.72	4%	142.52	6%	72.06	5%
Canada	92.24	3%	58.30	2%	26.65	2%
Belgium	79.75	3%	64.83	3%	72.89	5%
Brazil	68.10	3%	66.28	3%	45.72	3%
UK	70.22	3%	102.47	4%	34.29	2%
Russia	62.44	2%	10.05	0%	14.51	1%
South Africa	62.41	2%	25.48	1%	10.50	1%
Other Countries	547.96	20% (41 countries)	522.47	22% (39 countries)	358.40	25% (33 countries)
Total	**2,171.80**	**81%**	**2,035.59**	**85%**	**1,171.15**	**81%**

From Fiscal 2021 to fiscal 2023, we have added 8 new countries in the exports markets. For the Fiscal 2023, we served 217 customers in 51 countries. Our capabilities to manufacture diverse range of products alongwith quality consistency have been key in establishing global markets. To serve our export markets better and on real time basis, our Company has incorporated a wholly owned subsidiary in the United Kingdom (UK) in the name of "Aeroflex Industries Limited" in 2019. For Fiscals March 31, 2023, March 31, 2022 and March 31, 2021 the revenue contribution from top 5 customers amounted to ₹649.50 million, ₹795.11 million and ₹466.08 million constituting 24.10%, 33.02% and 32.19% respectively.

Primary Manufacturer of flexible flow solutions (Make-in-India, Make-For-World) with no listed peers with advanced manufacturing facility and R&D infrastructure.

We are the manufacturer of metallic flexible flow solutions in the country (Make-in-India, Make-For-World) with an installed capacity of 11 million meters per annum. Our manufacturing facility, located at Taloja, Navi Mumbai, Maharashtra, is spread across 3,59,528 square feet of area and is equipped with mechanical and hydraulic corrugation machines, interlocking machines, braiding machines, bobbin machines and assemblies equipment capable to manufacture range of customised hoses, braiding, assemblies and fittings. We have 34 mechanical corrugation machines, 20 hydraulic corrugation machines, 4 interlocking machines and 28 braiding machines.

Our manufacturing facility is certified in accordance with international standards of quality management systems, environmental management systems, health and safety management systems including Annex III, Module H of Directive 97/23/EC on Pressure Equipment, Management System as per ISO 9001:2015, Environmental Management System-ISO 14001:2015, ISO 45001:2015 (Occupational Health & Safety), Testing Certificate-Gas Hoses-1/2"NB Hose Assembly, NABL ISO /IEC 17025:2017, Statement of Conformity for design, manufacturing and testing of SS corrugated flexible Hose Assembly, Statement of Conformity for Quality Procedures applied standard EN ISO 10380:2012 and BS 6501-1 (E:2004), Certificate of Design Assessment. For, details pertaining to our Product and Quality Related Approvals and certifications please refer to chapter titled "*Government and other statutory approvals*" on page 270.

Our manufacturing facility also has an in-house Design and R&D laboratory, product testing department, dedicated finished product storage area, storage area for raw materials, spares and consumables. From employee safety and well-being point of view, our manufacturing facility has 105 fire extinguishers and a dedicated medical clinic. As on March 31, 2023, 383 people were employed at our manufacturing facility as permanent workers. The continuous flow nature of the process enables maximizing capacity over the entire catalyst life which ensures efficient optimisation of the raw materials. We follow strict process control guidelines and international industry standards and practices. Further, the reaction loop rotary equipment such as high pressure pumps and compressors are as per the American Petroleum Institute's codes and standards and the handling of process fluids is as per International Safety Guidelines ensuring reliable and safe operations. We also have an NABL accredited laboratory at our manufacturing facility with analytical instruments to ensure quality control.

We operate a single manufacturing facility for the manufacture of all of our products located at Taloja, Navi Mumbai in the state of Maharashtra spread across 3,59,528 square feet of area

Our Design and R&D activities are focused on conducting research, designing and developing new solutions made of stainless steel and other materials, for use in particular industries. As of March 31, 2023, our Design and R&D team included 7 members. Our Design and R&D provides us with a competitive advantage by addressing global trends in the industrial ecosystems. It also assists us in developing newer flow solutions using existing and new materials across developed and emerging industrial segments, moving up in the flow solutions value chain with more complex assemblies and solutions and further improve our manufacturing processes. In particular, we are engaged in R&D activities to develop new flow solutions for use in particular industries using existing and new materials.

Our Design and R&D has played a key role in the expansion of our offerings and provide customised solutions to customers. As of March 31, 2023, our Design and R&D team had pipeline of 57 products under various phases.

Our business operations and manufacturing facility have focus on sustainability, health & safety and environment and over the years have adopted various green initiatives. Caring for the environment and sustainable development being the core principles that drive our organization, we constantly strive to reduce emissions and recycle and reuse to conserve natural resources. As part of our initiatives towards continual improvement, we have obtained the Environment Management System Certification under the new standard of ISO 14001: 2015 for each of our manufacturing facilities.

Our sustainability and green initiative are:

- In-house water recycling through treatment plant;
- Active use of electric vehicles within the plant for movement of materials
- Use of recycles and reprocessed packaging materials to a significant extent

High entry and exit barriers

Given the critical nature of the applications, our solutions are subject to, and measured against quality standards (at both customer level as well as at the regulatory authority level governing the end user industry) and rigorous product approval systems with stringent design, engineering and use specifications, which act as significant entry barriers for new players. Also, where we supply our products to OEMs, the end products of those OEMs are typically subject to stringent regulatory and industry standards where any change in the vendor of the product may require significant time and expense on part of the OEMs, which acts an exit barrier and disincentives any such changes for them also.

Experienced and dedicated senior team across key functions

Our senior management team have relevant experience and know-how in the flexible flow solutions industry, across business development, research and development, operations, administration, marketing and human resource management. We leverage the understanding and the experience of our management and professional team comprising inter-alia, our Chairman and Managing Director, Asad Daud, our Whole Time Director and Chief Financial Officer, Mustafa Abid Kachwala, our Head of Production, Harish Khatter, our Head of R&D, Shah Alam, our Head of Sales and Marketing, Parvez Akhter and our Head of Quality and Assurance, Ramesh Deshpande, in managing our operations and growth. Our professional team has experience in production, R&D, quality control and sales & marketing. The knowledge and experience of our management and our team of dedicated personnel provide us with a competitive advantage as we seek to grow our existing markets and enter new geographic markets.

We also have a dedicated team of engineers along with other skilled workforce. We continuously strengthen our engineering expertise by providing in house training to our workforce, in order to diversify and update their skill sets and keep them updated with the latest changes in manufacturing technologies and processes.

Our Promoter i.e. Sat Industries Limited, has track record of scaling up of multiple diverse businesses backed by acquisition led strategy. Since acquisition of our Company in 2018, our Promoter has been contributing significantly in determining our strategic direction and future growth path. Besides Aeroflex Industries Limited, our Promoter acquired Sah Polymers Limited in 2015 and Fibcorp Polyweave Private Limited in 2022. Sah Polymers Limited went public and got listed on BSE and NSE on January 12, 2023. Each of these businesses are led by respective CEOs / Management, under the supervision of the respective Board of Directors. Moreover, Sat Industries Ltd has made more than 125 investments in start-ups across 30 sectors.

Our Strategies

Our business strategies include the following:

Expand our portfolio of solutions to capitalize on large opportunities across industrial segments

We constantly seek to develop and introduce new products and expand our capabilities to serve diverse industrial segments to enhance our market position of a global flexible flow solutions Company. Currently we develop and manufacture flexible flow solutions made with stainless steel of various grades, to suit the specified end applications across industrial segments. Globally, the market for SS flexible hose is estimated to grow from *USD 25Bn in 2020 to USD 38Bn by 2027 and that for corrugated hose* is estimated to grow from *USD 12.5Bn in 2020 to USD 18Bn by 2027*. *(Source: Flexible Flow Solutions Market in India Report March 2023)*.

Historically the demand for flexible flow solutions has largely been driven by developed industrial segments such as oil & gas, refineries, chemicals & petrochemicals, paper & pulp, steel, power, among others. We intend to strengthen our domestic and global market position by further moving up in the flexible flow solutions value chain through offering complex and advanced assemblies, diversify our offerings through foraying into flexible flow solutions made with other high end materials including Bronze, Polytetrafluoroethylene, Haste alloy, Inconel and Monel, among others. We believe that going forward, growth in the end user industries is expected to fuel the demand for metallic flexible flow solutions due to their properties such as resistance to external elements, maintaining the quality of media transferred, resistance to abrasion and corrosion, low probability of catastrophic failure, resistance to temperature, maintenance of full vacuum, compatibility to chemicals, among others.

We believe growth in end-use industries such as oil & gas, refineries, chemicals & petrochemicals, paper & pulp, steel, power, semiconductors, electric vehicles, robotics and automation, aerospace and aviation, hydrogen fuel, solar, HVAC, among others, will lead to exponential increase in demand for high end flexible flow solutions made with stainless steel and other high end materials. *(Source: Flexible Flow Solutions Market in India Report March 2023)*. We believe that expansion of our solutions portfolio through advanced and complex assemblies and solutions and multi-materials offerings will lead to a further increase in our operational margin, which was 20.05%, 19.39% and 15.43% for Fiscals ended 2023, 2022 and 2021, respectively.

An indicative list of some of the products currently under research and development / planned in near to medium term, is as follows:

Product Category	Description
Braided braiding	Made of stainless steel for superior strengths suitable for high pressure applications lance/loading uploading
Large diameter hoses	For applications including ship loading/unloading
Bronze metal Flexible Flow Solutions	Bonze hoses for HVAC (Heat Ventilation and air conditioning)
A-704 Hoses	Higher Thickness hose and longer lengths without joint (Mechanical Formed)
Inconel 625 and 825 Hoses and Assemblies	Hoses made of Inconel 625 & Inconel 825 for higher temperature application – feed gas hose for blast furnace
Monel Hoses	Hose for Highly corrosive environment. shipping and sub-marine
Complex Turbine Assemblies with precise welding at tube bending angle	Hose Assemblies with high precision for higher pressure application
Windmill Assemblies	Oil cooling Hoses
Railways Assemblies	Complex & Short Assemblies for hydraulic & HVAC, Cable conduit application
Aviation Assemblies	Engine cooling hose
Semiconductor Assemblies	Our Hoses Series A101 / 400 are use in semi conduction application
Cryogenic Application Assemblies	Hose assemblies with copper /brass Cryogenic fittings used for Oxygen ,Argon, Nitrogen Loading & unloading.
Super insulation vacuum hose assemblies	Hose Assemblies with Supper insulation & vacuum insulation for Cryogenic application such as LNG transfer.
Fire Sprinkler hose spiral hose	Hose assemblies with Sprinkler Nozzle & end fittings for Fire Hydrant System.
Solar Hoses with fitting kit	Hose assemblies for Solar Application, used for Water Heating System.
Boiler hoses assemblies	Specific Hose made for Higher heat transfer rate (helically wound along

Product Category	Description
	the boiler setup for cooling)

Being the manufacturers of flexible flow solutions, we have been able to serve a diverse range of industries through introducing new products across the flow solutions value chain and we believe that our track record would work as a foundation for commercialisation of new offerings for developed and emerging industrial segments.

Scale up our In-house Design and R&D efforts

We have an in-house team of Design and R&D professionals focusing on developing complex and advanced flow solutions based on the global industrial trends and standards, research on existing and new high-end materials and optimize our manufacturing processes. Currently, our Design and R&D department is housed in the premises of our manufacturing facilities itself, with a team size of 7 members. As per our Consolidated Restated Financial Information, for the Fiscals March 31,2023, March 31,2022, and March 31,2021, we spent ₹ 23.44 million, ₹ 16.52 million and ₹ 12.96 million, respectively, on R&D-related expenses, which formed 0.87 %,0.69% and 0.89% of our total revenue from operation in these periods.

As we grow further, we intend to further scale up our Design and R&D efforts and add resources and technically competent manpower to undertake complex research, development and innovations on other high end materials, new product applications and design complex products in-house for varied applications across industrial segments. Currently, we provide customised solutions to our customers based on the design and specifications provided by them for the specific end use. We believe that with well-equipped and dedicated in-house Design capabilities, coupled with our track record in the flow solutions business, we would be able add further value in our offerings through providing upfront design services to customers, acting as backward integration of our capabilities. This would, in turn, result into higher level of customer servicing and optimisation of operating margins as we would be able to tap larger value chain of the flow solutions.

Increase focus on global markets and enhance our international presence

We are an export-oriented Company. For Fiscals 2023,2022 and 2021 our exports were ₹2,171.80 million, ₹2,035.59 million and ₹1,171.15 million which constituted 80.60%, 84.53%, and 80.90% of our revenue from operations respectively . For the Fiscal March 31, 2023, we exported our products to 51 countries. The top 10 countries by export volumes for Fiscal March 31, 2023 included USA, UAE, Spain, Italy, Canada, Belgium , Brazil , UK among others.

We intend to leverage our diversified and global delivery model by continuing to focus on tailor-made flexible flow solutions designed to suit our customers' preferences. Our existing relationships and our ability to deliver flexible flow solutions on a timely basis, enables us to follow our existing customers to newer geographical locations and to establish a presence in such locations.

We intend to expand our operations in geographies such as USA, Europe, Far East Region and Middle East and North Africa (MENA) region by opening up of own strategic delivery locations in these regions, expanding our share of supplied products, as well as by diversifying our portfolio. Such expansion will ensure integrated solutions under single roof alongwith timely delivery to our customers at their locations in a cost-efficient manner. We believe that our exposure of serving export markets is one of the key factors that our customers take into

Aeroflex's Future Strategy in Exports Markets

Going forward, Aeroflex plans to have dedicated real-time presence in its key exports markets

- To have a Distribution Center/ Warehouse near a industrial cluster in exports markets
- Have a presence through Branch Office/ Wholly-owned Subsidiary for ease of administration for the geography
- Tie-up with large project engineering companies to work as a key vendor in their future projects
- Tie-up with big distributors to make in-roads into conglomerates across the industries
- Have a dedicated on-ground sales and marketing team who could connect directly with industrial groups. This would also help in providing instantaneous updates on the ongoing key developments

- **Aeroflex has already taken the first step in this direction and has incorporated a Wholly-owned Subsidiary in the United Kingdom (UK) in the name of Aeroflex Industries Limited in FY20**
- **Appointed exclusive distributors in United States and Brazil**

A dedicated presence in the key global hubs would provide a competitive advantage and give a local flavour to the sales pitch to grab the contract

consideration while choosing us as their supplier of choice for their flexible flow solutions requirements.

We have enduring relationships with several customers. We intend to continue to leverage our long-standing relationships with customers, and increase market share in relation to the products we currently supply to such customers. We intend to continue moving up in the flexible flow value chain by providing solutions suitable for high end, complex and advanced applications across industrial segments. While we have various key customers, who have been associated with us for a long time, we nevertheless have a diversified customer base and continue to add new customers. We have added 185 new customers since Fiscal 2021 globally.

To increase our global focus, we intend to establish a global operational footprint with close proximity to our overseas customers. For this purpose, we intend to set up warehouses, distribution centres and business development offices in USA, Europe, Far East region and MENA region. We intend to become local players abroad by establishing business development offices, which will enable frequent and localised interaction with overseas customers. Our foreign offices will help us establish a physical operational presence abroad, which will increase physical interaction with our clients. We believe such increased physical interaction will result in increased business, and help us gather market intelligence more effectively, as per the regional supplier base.

The US-China trade war and the Covid-19 pandemic has laid the need for companies to diversify supply chains outside of China. This has given rise to the "China plus one" strategy, in which multinational firms are moving to other countries, in addition to China. India is expected to be one of the promising nations for diversification by such firms. Such trade agreements and China plus one strategy, are expected to strengthen India's place as a manufacturing hub and have a bigger role in global value chain.

Expand our domestic business to leverage the opportunities across industrial segments

Historically, majority of our business has been derived from selling our solutions to the customers in the international markets. We had derived Rs. 433.45 million, Rs. 294.28 million and Rs. 226.16 million constituting to 16.09%, 12.22 % and 15.62 % of our revenue from operations in the Fiscals ended 2023, 2022 and 2021 respectively from sales in domestic markets.

To make India self-dependent in manufacturing and reduce the imports, Government of India had announced Production Linked Incentive (PLI) Scheme for various industries including advanced chemistry cell battery, electronic products, automobiles and auto components, pharma, telecom and networking products, textile, food products, white goods, and specialty steel. The scheme is primarily focused towards attracting the domestic and international manufacturing companies across the sectors to manufacture locally in India to achieve the vision of

Atmanirbhar Bharat (Self-dependent India).

As large scale manufacturing activity enhances pursuant to various incentive schemes and initiatives of the Government, the demand for industrial products including flexible flow solutions are slated to increase. Given the emerging opportunities offered by the favourable trends and initiatives, we aim to enhance our domestic presence and build market share through leveraging our exposure of providing complex flexible flow solutions in the exports markets.

Focus on Digitisation and Industry 4.0 initiatives to drive operational efficiencies and achieve synergies

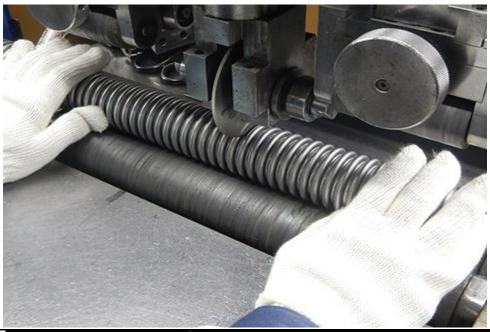
Offering quality products at desired time is a key aspect of maintaining and expanding our relationships with our customers. To that end, we have adopted several initiatives designed to improve our cost efficiency, and as one of our primary business strategies we intend to continue improving our cost efficiency. Our business operations are largely driven by coordination within and amongst different teams, shift planning, production scheduling, warehousing and logistics planning, maintenance of accurate data related to production, quality control, R&D and inventories, proper book keeping, among others. Historically, we have been putting significant efforts to digitise our operations through implementation of various digital initiatives. Some of these initiatives include:

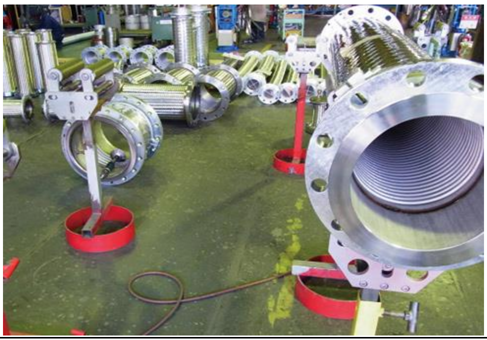
- Integrated SAP ERP implementation across our operations to streamline our record keeping and track our business operations on real-time basis;
- Connected all of our production lines through digital mediums using dedicated tablets installed at the lines to derive real time data of the machines to improve efficiency.

We intend to continue to improve our operational efficiencies using variety of technology and digitisation led tools and techniques. We intend to automate various process to improve our energy usage efficiency, eliminate waste, improve productivity and manpower optimization, further improvise our water discharge practices, continually working on cost reduction including applying various techniques to our products to reduce cost. We believe that through implementation of tools and techniques such as Internet of Things (IOT), Machine Learning systems and Industry 4.0 for our relevant machines or equipment, we will also support the identification of improvement areas and thus aim to bring synergies to the operational and business performance improvement process.

Manufacturing Process

Steps	Process	Process flow chart.	Description
1	Rolling steel sheet to create pipes		Creating the pipe (tube element) is the most important process in creating flexible hoses and expansion joints.
2	Forming tubes with forming machine		Roll forming - A special wheel is used to form corrugations on the pipe. Bulge forming (elastomeric forming) - Pressure is applied to a special resin from the inside of the pipe, and the force of its expansion is used to form corrugations. Liquid-pressure forming (hydroforming) - A method similar to bulge forming that uses a liquid (such as water or oil) instead of a special resin to form corrugations.
3	Weaving wire braiding using braiding machine		Wire braiding (woven stainless steel wires) is a component that increases the pressure resistance and strength of flexible hoses. Wire braiding is made using a braiding machine which is mounted on the outside of flexible hoses. • We issue wire Spool from the Store as per Plan set by the Production Plan Control Team. • Then the Hydraulic/Mechanical Hose is loaded from Hose store to Braiding Machine • The Wire spool is loaded at bobbin winding machines for the bobbin spool. • Once bobbin spool set ready then its loaded to braiding machine. • Once the production done at machine either in only braid/hose with braid then its check with QC • Once Testing done from Quality Control then ready product is transferred to

			FGS/Assembly/Packing/Supply Chain
4	Cutting tubes to production length		Flexible hoses are cut to the specified length as specified by the Customer’s Specifications
5	Attaching joints		There are two methods of attaching joints to flexible hoses or expansion joints. 1. Welding – Joint types such as flange joints and screw joints can be attached to flexible hoses and expansion joints by welding. 2. Crimping – Joint types such as flange joints and screw joints can be crimped with a special crimping machine and attached via a special connector.
6	Testing		All flexible hoses and expansion joints are leak tested. 1. Immersion-type airtightness test method – Air is pumped into the product to pressurize it. The product is then immersed in that state and leakage is checked for by examining whether bubbles appear. 2. Non-destructive inspection – Non-destructive inspections are used to check the solidity of welds of difficult-to-immerse parts such as large-diameter expansion joints.

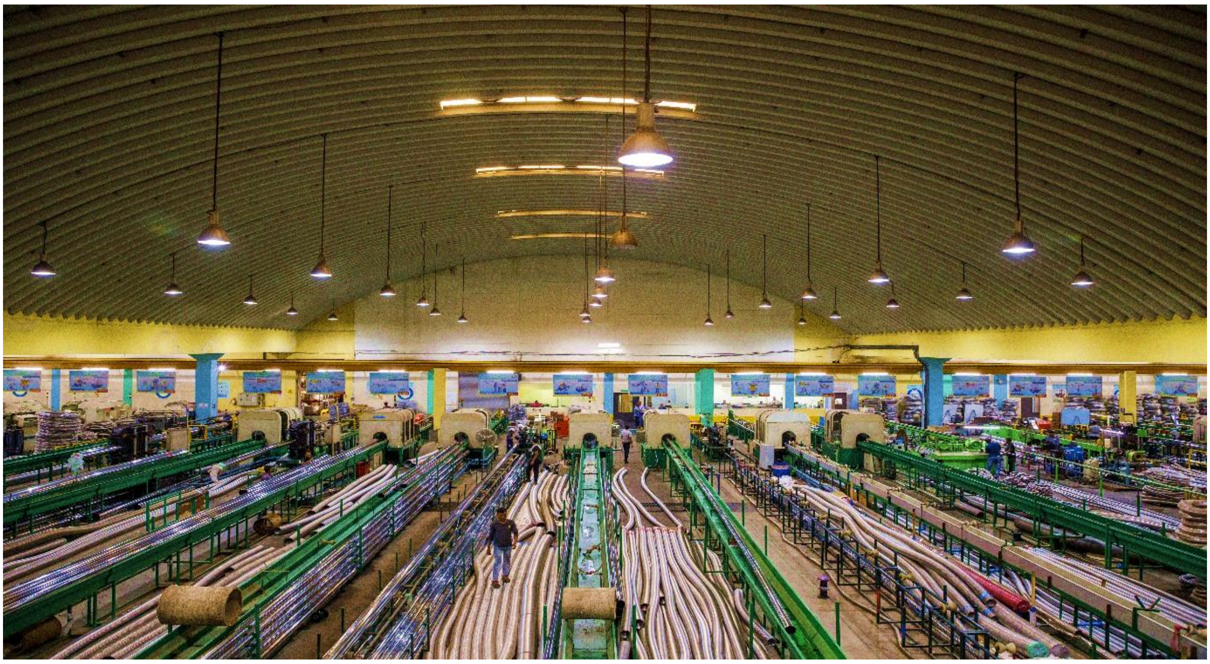
7	Drying		Water or other liquids must not remain inside products. Products are dried by warming them to evaporate remaining moisture, or pumping warm air into the product.
8	Shipment		Processes from packaging to shipment also affect product quality. Suitable packaging is used to prevent damage to products during shipment, ensuring products reach users in the optimum state.

Our Manufacturing Capabilities

Manufacturing Facility

We operate from owned and single manufacturing facility for the manufacture of all of our products located at Taloja, Navi Mumbai in the state of Maharashtra spread across 3,59,528 square feet of area. As of March 31, 2023, we have an aggregate installed capacity of 11 million metre per annum. For further information, see "- *Business Operations – Our Manufacturing Capabilities – Capacity and Capacity Utilisation*" on page **Error! Bookmark not defined.**

Particulars of our owned Property	Usage
Plot No. 41, 42/13, 42/14 & 42/18, near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai - 410 208, Maharashtra, India.	Registered Office and Manufacturing Facility



Our manufacturing processes are compliant with cross-industry certifications and are subject to regular inspections conducted by our customers. We also own equipment and machinery with digital enablement for operational efficiency, which enables us to meet the stringent and complex requirements of our customers, within the stipulated timelines and provides us with a track record of reliability. Our facility operates in two shifts per day, with the option of increasing that to three shifts per day in order to increase productivity.

Capacity and Capacity Utilisation

Information relating to our production capacities and the Historical capacity utilization of our existing manufacturing unit included in this Prospectus is based on various assumptions and estimates of our management that have been taken into account by the K.Jayakanthan, Chartered Engineer, by certificate dated July 23,2023.

The following tables set forth our installed capacity, actual production and utilization for our owned manufacturing facility for March 31, 2023, 2022,and 2021.

Period	**Total Capacity (Mtr) Annually**		
	Installed Capacity	**Actual Production**	**Utilisation**
2020-2021	1,10,02,389	78,13,316	71%
2021-2022	1,10,02,389	99,47,049	90%
2022-2023	1,10,02,389	91,49,491	83%

Note- *K. Jayakanthan, Chartered Engineer, by certificate dated July 23,2023*
(1) The information relating to the existing installed capacity of our manufacturing facility for the periods indicated is based on various assumptions and estimates including the standard capacity calculation practice in the flexible flow solutions industry and that of ancillary equipment used in the manufacture and assembly of our products. These assumptions and estimates include: (i) continuous manufacturing operations for 24 hours per day, 30 days per month and 12 months in a year;
(2) Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the installed capacity of the manufacturing facility as of the end of the relevant period.

Utilities

Power and Fuel

In addition, our Manufacturing Facility and operations require constant power and fuel supply. For Fiscals March 31, 2023, March 31,2022 , March 31,2021, our power and fuel expenses were Rs. 25.76 million, Rs. 29.26 million, Rs. 21.10 million respectively constituting 0.96%, 1.22% and 1.46% of our revenue from operations respectively. Adequate and cost-effective supply of electrical power, fuel and water is critical to our manufacturing process. We rely on the state electricity board through a power grid for the supply of electricity. To battle electricity failures, we also have one DG set of 1050 KVA to meet exigencies of Manufacturing Facility and transformer which acts as an interface with DG unit and existing power unit in case of any sudden disruption or power failure. We use water from local body for our manufacturing process which is treated in our water treatment RO plant.

For additional information, see "*Risk Factors* - ***A shortage or non-availability of essential utilities such as electricity, water and gas could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition***" on page 50.

Argon gas

Argon gas is a colourless, odourless gas used for welding of hose in mechanical hydraulic and assembly that is totally inert to other substances. Argon is used when an inert atmosphere is needed. As our manufacturing processes require working in high temperatures this gas is used to provide an oxygen- and nitrogen-free setting for any process that involves high temperature heat treatment.

Water treatment plant

Our manufacturing facility also has one RO water plant of 5500 litre per hour for water purification received from the local body, to separate unwanted molecules and larger particles protect our key raw materials stainless steel coils of various grades, stainless steel wires, fittings and assembles from any intense reaction and resistance to aqueous corrosion.

In house logistics

For in-house physical movement and logistics of our products we have 2 Fork lift which is used to lift and move materials over short distances, and one Weighbridge for weighing our finished goods or raw material .We also have one four wheeler for movement of employees within the manufacturing Facility.

Raw Materials procurement

Our key raw materials are stainless steel coils of various grades, stainless steel wires, fittings made of various materials. Our cost of goods sold comprises of cost of materials consumed and changes in inventories of finished goods. For the Fiscals ended March 31, 2023, 2022 and 2021 our cost of goods sold was ₹ 1,700.64 million, ₹ 1,560.62 million and ₹ 935.57 million respectively constituting 63.11%, 64.81% and 64.62% of our revenue from operations. Our results of operations and financial conditions are significantly dependent on the availability and cost of raw materials specifically stainless steel coils and stainless steel wires. We procure majority of stainless steel coils from international markets where we have maintained relationships with the suppliers over the period. We fulfil our demand for SS coils from Indian market also. We procure SS wires and fittings made of various materials including stainless steel, polytetrafluoroethylene, and other materials from Indian and international markets. For the Fiscals March 31, 2023, 2022 and 2021, our raw materials purchase from out of India was ₹ 859.91 million , ₹721.79 million and ₹452.79 million as a % of total raw material purchases were 45.22%, 45.81% and 47.10% respectively. We do not enter into long term sourcing contracts with our suppliers and all our sourcing is based on individual purchase orders placed with our suppliers. Prices are negotiated for each purchase order with the respective supplier. While selecting our suppliers, we consider cost, grade, quality, time to fulfill, supplier's history and experience and capacities. For details pertaining to our risk - We do not have long-term agreements with our suppliers of raw material please refer to chapter titled "*Risk Factors*" on page 37.

Human Resource

e are dedicated to the development of the expertise, skill sets and know-how of our employees. Our personnel policies are aimed towards recruiting talented individuals, facilitating their integration and promoting the development of their skills, including through in-house and on-site as well as external training programmes. Our employees are key contributors to our business success. As on March 31, 2023 we have 383 employees including our Directors, who look after our business operations, factory management administrative, secretarial, marketing and accounting functions in accordance with their respective designated goals. Further in addition to the employees, we have engaged 44 contract labourers at our Manufacturing Unit. Following is a department wise employee break-up:

Department	Number of Employees		
	Executive	Skilled	Unskilled
PLANT LEVEL			
Purchase	8	-	-
R&D	7	-	-
Quality	27	-	-
Audit	1	-	-
HR & IR	11	-	-
HSE	3	-	-
Logistics	5	-	-
SHOP FLOOR			
Stores	15	1	-
Maintenance	8	5	-
Assembly	8	27	4
Assembly Cell	3	6	4
Braiding	6	44	11
Composite Hose	1	-	1
FGS	4	-	-
Hose Store	2	-	-
Hydraulic	8	24	21
Mechanical	4	31	16
Interlock	2	2	-
Packing	1	3	-
PPC	6	-	-
OFFICE			
Top management	2	-	-
Accounts	12	-	-
Costing	4	-	-
Admin	4	-	-
Company Secretary	1	-	-
Marketing and Sales	25	-	-
IT	5	-	-
TOTAL	**183**	**143**	**57**

For Fiscals 2023, 2022 and 2021 the attrition rate of our Company was 7.31%, 7.17% and 10.16%,respectively.

Environment, Health, Quality and Safety

Our activities are subject to the environmental laws and regulations of India, which govern, among other things, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety. We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an occupational health and safety policy that is aimed at, inter alia, complying with applicable environmental laws and regulations and voluntary commitments, providing a healthy and safe work environment, effectively communicating with facility employees We aim to ensure a safe and healthy environment and further provide for medical check-ups and safety measures in order to achieve zero accidents on a sustainable basis. We take initiatives to reduce the risk of accidents at our manufacturing facility.

We have established a dedicated environment, health, occupational, health and safety (EHS) function to oversee EHS issues for our operations and adopted a comprehensive EHS management system in accordance with applicable standards with policies and practices which are applicable to our employees and contractors within our premises. Our EHS policy aims towards energy saving and optimum consumption of resources, preventing environmental pollution through waste reduction and control, encouraging safe work practices for prevention of accident, injury and ill health, complying with relevant legal and other requirements and continual improvement in EHS management system. Under our EHS policy we have sponsored health and wellness programs, health facilities, and participation in fitness activities, and e Mind and Body Wellness program. This program is intended to help our employees to develop and maintain a healthy lifestyle and productive workforce through increasing awareness to encourage participation in health and wellness activities initiatives by our Company. We have one Occupational Health Centre and Mind & Body Wellness Centre with optimum equipment's and medicines at our manufacturing facility with 24 hours ambulance facility. During the Covid-19 we established the OHC and wellness centre at our manufacturing facility for the employee and their family. We offer a variety of services, including nutrition consultation and counselling, individual wellness plans, health and fitness classes, and therapeutic massage. We also provide lifestyle coaching, stress management, and other services designed to reduce stress, enhance the body's ability to heal, and improve overall wellbeing. We have full time Industrial Nurse and doctor's on our company' panel and they regular visit our Manufacturing facility. In the year 2022, we were credited with a "Great Place to Work certificate issued by Great Place to Work Institute, India," and in 2023 we received award for "Best Mid-size Enterprise of the year and Best work place wellness programme". We also have canteen facility at our manufacturing facility where we provide food at subsidised rate. Environmental requirements imposed by regulatory authorities in India will continue to have an effect on our operations. We have obtained, or are in the process of obtaining or renewing, environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For information regarding applicable health, safety and environmental laws and regulations, see "*Key Regulations and Policies*" on page 177.

Insurance

Under the restrictive covenants imposed by the financial institutions and also as a good business practice we maintain insurance covering our stocks, machineries and assets at such levels that we believe to be appropriate. We maintain insurance cover against loss during transit, loss of personal or corporate information, network security damages, loss or damage by fire, business interruption by fire, earthquake, spoilage, etc. by availing industrial all risk policy, marine export import insurance open policy, cyber risk policy and the comprehensive general liability policy. We have also insured our employees by availing group health insurance, workmen compensation insurance, 360* protector directors and officers liability policy. See "*Risk Factors No. 31 – An inability to maintain adequate insurance coverage in connection with our business and Manufacturing Unit may adversely affect our operations and profitability*." on page 61 of this Prospectus.

Intellectual Property

Our Company has the following trademarks:

Sr. No.	Trademark Image	Application Number	Class	Valid Up to
1.		4156339	Class 6	April 24, 2029
2.		1721610	Class 6 and Class 17	August 14, 2028
3.	AEROFLEX	5384336	Class 6, Class 7 and Class 35	-*

** The trademark is objected. Our Company has filed a reply with the Trade Mark Registry and the matter is listed for show cause hearing. For further details, please refer 'Risk Factor No. 40. - Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of other could have a material adverse effect on us' on page 61 of this Prospectus. For further details pertaining to our Product and Quality Related Approvals and certifications please refer to chapter titled "Government and other statutory approvals" on page 270 of this Prospectus.*

Our Company is the owner of the following copyright:

Sr. No.	Description of work	Registration Number	Title of Work	Valid Up to
1.	Artistic Work	A-146780/2023	Aeroflex	-

Quality Control and Assurance

We are a quality-focused Company and are committed to maintaining quality standards at all steps of the manufacturing cycle of our products, from procurement of the raw materials/ components to supply/ assembly of our products. We have dedicated quality assurance teams who ensure compliance with our quality management systems and statutory and regulatory compliances. Quality has always been a focus area for management and is part of our organizational corporate goals. Our quality control process has resulted in certifications and approvals such as ISO - 9001:2015, ISO - 14001:2015, ISO - 45001: 2018 and ISO/IEC 17025:2017 certifications. For further details pertaining to our Product and Quality Related Approvals and certifications please refer to chapter titled "*Government and other Statutory Approvals*" on page 270.

Logistics

We rely on third party transportation and logistics providers for procurement of our raw materials and supply of our products to our customers. We incur transportation costs for delivery of our raw materials and other inputs to our manufacturing facilities. We do not have long-term contractual arrangements with such third-party transportation and logistics providers. For risks relating to the dependence on third-party transportation service providers, please see section titled *"Risk Factors- We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities could adversely affect our business, results of operations and financial condition*." on page 48. Generally, our suppliers deliver our raw materials directly to our manufacturing facility. The raw materials stored at ports (at third party-warehouses) are dispatched to manufacturing location, as per requirement of the production plans at each manufacturing facility. We generally sell our products on a cost, insurance and freight basis. In these arrangements, we are responsible for shipping the products to the customer, and our freight forwarders arrange for the finished products to be trucked to our customers in India or to the port for export, as applicable. Our custom house agents handle the requisite clearance procedures.

Marketing and sales

Our business is predominantly conducted on a business-to-business basis and our focus is on maintaining constant contact with customers and ensuring timely delivery. We believe consistent interaction with our customers to understand their needs helps us in retaining connect and collaborating in developing new products. Our sales and marketing activities for our products are carried out by our sales and marketing personnel, who are responsible for business development, acquisition of new clients and is instrumental in identifying and initiate dialogue to develop customer interest. Further, our Executive Directors, and senior management team have been instrumental in our Company's growth and development by taking personal interest in customer development activities and interacting with key customers directly. As on March 31, 2023, we have a marketing and sales team of 25 employees. Our marketing and sales team maintains regular contacts with customers, carries out yearly/bi-annually customer feedback surveys and monitors monthly reviews and market research reports of customers monthly performance in our business. Our Company services its domestic and export customers through its marketing and sales team.

Information Technology

We rely on information technology infrastructure in order to maintain consistency in production chain and safeguard our operations. We have implemented Integrated SAP ERP implementation across our operations to streamline our record keeping and track our business operations on real-time basis pursuant to which various financial, analytical and MIS reports are generated. Further, this system also enables us to track timely procurement of raw materials, payment to vendors and contract suppliers, and receivables from customers.

Competition

The industry segments in which we operate being diversified, we face competition from global players. We operate in a competitive business, both in India and overseas. We try to remain competitive by seeking to understand the markets in which we operate in better and identify emerging opportunities. We believe that our consistent tracking of markets, developing new products and our consistent interaction with our customers is a key to our competitiveness and these factors inter alia enable us to anticipate the needs of our customers. Further, some of the end-use industries in which we operate are not easy to break-into due to high entry barriers such as stringent vendor approval process and long gestation period to be enlisted as a supplier with the customers due to long approval timeframes. Our global competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our global competitors have a longer history of established businesses and reputations in the industry in which we operate. Competitive conditions in some of our segments may cause us to realise lower net selling prices and reduced gross margins and net earnings. Changes in the identity, ownership structure, and strategic goals of our global competitors and the emergence of new competitors in our industry may impact our financial performance. For further details on our competition, please see section titled "*Industry Overview*" on page 123.

Corporate Social Responsibility

We have constituted a CSR committee of our Board of Directors and have adopted and also formulated a CSR policy, pursuant to which we carry out our CSR activities. As part of our CSR initiatives and in terms of our CSR Policy, eradicating hunger, poverty and malnutrition; promoting health care including preventive health care and sanitation including contribution to the '*Swachh Bharat Kosh*' set up by the Central Government for the promotion of sanitation and making available safe drinking water, promoting gender equality and empowering women healthcare, promoting education, animal welfare and rural development initiatives. Our CSR expenditure aggregated to ₹ 3.83 million, ₹ 0.30 million and Nil for the Fiscal 2023, 2022 and 2021 respectively. For further details, please see section titled "*Restated Consolidated Financial Information*" on page 235.

KEY INDUSTRIAL REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies 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 be a substitute for professional advice. For details of Government Approvals obtained by the Company in compliance with these regulations, please refer to chapter titled "*Government and Other Statutory Approvals*" beginning on page 269 of this Prospectus.

A. Labour related laws and regulations

The Factories Act, 1948

The Factories Act, 1948 ("**Factories Act**") defines a factory to be any premises including the precincts thereof, on which on any day in the previous twelve (12) months, ten (10) or more workers are or were working and in which a 'manufacturing process' is being carried on or is ordinarily carried on with the aid of power; or where at least twenty (20) workers are or were working on any day in the preceding twelve (12) months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories. The Factories Act provides that the occupier of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers health and safety, cleanliness and safe working conditions. If there is a contravention of any of the provisions of the Factories Act or the rules framed there under, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

It is pertinent to note that State Government have set out rules in respect of the prior submission of plans, their approval for registration of the establishment, and licensing of factories. The Maharashtra Factories Rules, 1963 ("**Rules**") is applicable to the establishments of the Company. The Rules govern approval of plans, grant of licenses, safety procedures, working hours and conditions of workers.

The Industrial Disputes Act, 1947.

The ID Act provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labor court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labor courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen.

The Employee's Provident Funds and Miscellaneous Provisions Act, 1952.

The Employee's Provident Fund Act, 1952 ("**EPF Act**") applies to factories employing over twenty (20) employees and such other establishments and industrial undertakings as notified by the Government of India from time to time. It requires all such establishments to be registered with the State provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employee's provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

The Employee State Insurance Act, 1948

The Employees State Insurance Act, 1948 ("**ESI Act**") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Payment of Gratuity Act, 1972

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten (10) or more persons are employed or were employed on any day of the preceding twelve (12) months and in such other establishments in which ten (10) or more employees are employed or were employed on any day of the preceding twelve (12) months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions. Under the Gratuity Act, an employee who has been in continuous service for a period of five (5) years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five (5) years of continuous service.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 ("**MWA**") provides a framework for State governments to stipulate the minimum wage applicable to a particular industry. The Maharashtra Amendment Act came into force from February 05, 1960. The minimum wage may consist of a basic rate of wages and a special allowance; or a basic rate of wages and the cash value of the concessions in respect of supplies of essential commodities; or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate government. Contravention of the provisions of this legislation may result in imprisonment for a term up to six months or a fine or both.

The payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

The Maternity Benefit Act, 1961

Maternity Benefit Act, 1961, as amended from time to time ("**Maternity Benefit Act**"), is aimed at regulating the employment of women in certain establishments for certain periods before and after child birth and for providing for maternity benefit and certain other benefits. It applies to every establishment being a factory, mine or plantation including any such establishment belonging to government and to every establishment wherein persons are employed for the exhibition of equestrian, acrobatic and other performances. It also applies to every shop or establishment wherein ten (10) or more persons are employed or were employed on any day of the preceding twelve (12) months. According to the Maternity Benefit Act, every woman is entitled to, and her employer is liable for, the payment of maternity benefit at the rate of the average daily wage for the period of her actual absence, including the period immediately preceding the day of her delivery, the actual day of her delivery and any period immediately following that day.

Equal Remuneration Act, 1976.

The Equal Remuneration Act, 1976 as amended from time to time ("**Remuneration Act**") aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature. In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

The Child Labour (Prohibition and Regulation) Act, 1986.

The Child Labour (Prohibition & Regulation) Act, 1986, as amended from time to time ("**Child Labour Act**") was enacted to prohibit the engagement of children below the age of fourteen years in certain specified occupations and processes and to regulate their conditions of work in certain other employments. No child shall be required or permitted to work in any establishment in excess of such number of hours, as may be prescribed for such establishment or class of establishments. Every child employed in an establishment shall be allowed in each week, a holiday of one whole day, which day shall be specified by the occupier in a notice permanently exhibited in a conspicuous place in the establishment and the occupier shall not alter the day so specified more than once in three (3) months.

The Occupational Safety, Health and Working Conditions Code, 2020; the Code on Social Security, 2020; the Code on Wages, 2019; the Industrial Relations Code, 2020 (enacted by the Parliament of India and assented to by the President of India) will be applicable to our Company as and when they come into force, on such date as may be notified in the official gazette by the Central Government.

B. Tax related laws and regulations

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that are or may become applicable to our Company include:

a) Income Tax Act, 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years;
b) Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state-wise legislations made thereunder;
c) The Integrated Goods and Service Tax Act, 2017 and rules thereof;
d) Customs and Central Excise Duties Drawback Rules, 2017;
e) Profession tax-related state-wise legislations;
f) Customs Act, 1962;
g) Customs Tariff Act, 1975; and
h) Indian Stamp Act, 1899 and various state-wise legislations made thereunder.

C. Environment related laws and regulations

The Environment (Protection) Act, 1986

The Environment (Protection) Act, 1986 ("**EPA**") is umbrella legislation in respect of the various environmental protection laws in India. The EPA vests The Government of India with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, inter-alia, laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ₹100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EPA continues.

The Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 **("Water Act")** aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State. Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both.

The Air (Prevention and Control of Pollution) Act, 1981

Pursuant to the provisions of The Air (Prevention and Control of Pollution) Act, 1981, as amended (the "**Air Act**"), any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. If an area is declared by the State Government to be an air pollution control area, then, no industrial plant may be operated in that area without the prior consent of the State Pollution Control Board Air (Prevention and Control of Pollution) Rules, 1982 deal with the procedural aspects of the Air Act.

D. Property Related Laws

Our Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882. In addition, regulations relating to classification of land may be applicable. Usually, land is broadly classified under one or more categories such as residential, commercial or agricultural. Land classified under a specified category is permitted to be used only for such specified purpose. Where the land is originally classified as agricultural land, in order to use the land for any other purpose the classification of the land is required to be converted into commercial or industrial purpose, by making an application to the relevant municipal or town and country planning authorities. In addition, some State Governments have imposed various restrictions, which vary from state to state, on the transfer of property within such states. Land use planning and its regulation including the formulation of regulations for building construction, form a vital part of the urban planning process. Various enactments, rules and regulations have been made by the Central Government, concerned State Governments and other authorized agencies and bodies such as the Ministry of Urban Development, State land development and/or planning boards, local municipal or village authorities, which deal with the acquisition, ownership, possession, development, zoning, planning of land and real estate. Each state and city has its own set of laws, which govern planned development and rules for construction (such as floor area ratio or floor space index limits). The various authorities that govern building activities in states are the town and country planning department, municipal corporations and the urban arts commission.

E. Other laws applicable to our Company and its business

The Negotiable Instruments Act, 1881

In India, the laws governing monetary instruments such as cheques are contained in the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. To ensure prompt remedy against Defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable

Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonor of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, and with fine which may extend to twice the amount of the cheque, or with both.

The Sale of Goods Act, 1930

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to Sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional. According to the provisions of this Act, a contract of sale is made by an offer to buy or sell the goods for a price and the acceptance of such offer. The Act further provides that the contract may provide for the immediate delivery of the goods or immediate payment of the price or both or for the delivery or payment by instalments or that the delivery or payment or both shall be postponed. Provisions are made in this Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to courier, duties of seller and buyer, buyer‘s right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc.

The Bureau of Indian Standards Act, 2016

The Bureau of Indian Standards Act, 2016 ("**BIS Act**") was enacted to provide 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 and for matters connected therewith or incidental thereto. The BIS Act provides for the powers, duties and functions of the BIS, where, *inter alia,* includes:

a) recognition of any standard established for any article or process by any other institution in India, or elsewhere as an 'Indian Standard';
b) establishment, publishing and promotion, in such manner as may be prescribed, of the Indian Standard, in relation to any article or process;
c) specification of a Standard Mark to be called 'Bureau of Indian Standards Certification Mark' which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian Standard;
d) granting, renewal, suspension or cancellation of a license for the use of Standard Mark; and
e) making such inspection and taking such examples of any material or substance, as may be necessary, to see whether any article or process in relation to which the Standard Mark has been used, conforms to the Indian Standard or whether the Standard Mark has been improperly used in relation to any article or process without a license.

The Legal Metrology Act, 2009

The Legal Metrology Act, 2009 ("**Legal Metrology Act**") replaces the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks 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 matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) permitting the establishments to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act; (c) stringent punishment, such as power of inspection, seizure and forfeiture; and (d) prohibits manufacture, repair or sale of weight or measure without license.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as '*Suyog Intermediates Private Limited*' as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai vide certificate of incorporation dated October 19, 1993. Pursuant to special resolution passed by shareholders of our Company in extra-ordinary general meeting dated October 03, 1998, the name of our Company was changed to '*Aeroflex Industries Private Limited*' and a fresh certificate of incorporation dated October 28, 1998 was issued by Registrar of Companies Maharashtra, Mumbai. Subsequently, pursuant to a special resolution passed by shareholders of our Company in the extra-ordinary general meeting dated July 25, 2006 our Company was converted from a private limited company to a public limited company and consequently the name of our Company was changed to '*Aeroflex Industries Limited*', and a fresh certificate of incorporation dated August 23, 2006 U24110MH1993PLC074576 was issued to our Company by the Registrar of Companies, Maharashtra, Mumbai. For details of change in the name of our Company and Registered Office of our Company, please refer to chapter titled "*History and Certain Corporate Matters*" on page 181 of this Prospectus. On April 02, 2018, Sat Industries Limited, the Promoter, acquired our Company from the erstwhile promoters of the Company. This acquisition was pursuant to settlement process as our Company turned non-performing and the erstwhile promoters approached our current Promoter for bail-out by taking over the control and management of our Company and settling all dues to lenders. Pursuant to the said acquisition, our Promoter approached lenders and settled their claims and upon settlement, the lenders issued no dues certificate/charge satisfaction letter. For further details, please refer to chapter titled "*Our Promoter and Promoter Group – Change in control of our Company*" and "*Outstanding litigations and Materials Developments*" and on page 208 and on page 264 respectively.

Change in Registered Office of our Company

The Registered Office of our Company was originally situated at 339/41, Samuel Street, Rawal Chambers, 2nd Floor, Mumbai – 400 003, Maharashtra, India .

Except as disclosed below, there has been no change in the address of the registered office of our Company since the date of incorporation:

Date of Change	New address	Reason for Change
October 31, 1997	503-A, Abdul Hussain Potia Apartment, 202, Bellasis Road, Mumbai Central, Mumbai – 400 008, Maharashtra, India.	Operational convenience
August 06, 2007	Office no.2, 1st floor, Purshottamdas Thakkar Co-op Industrial Estate, 20 Champsi Bhimji Road, Anjirwadi, Mazgaon, Mumbai – 400010, Maharashtra, India.	Operational convenience
March 01, 2008	508/A, Byculla Service Industries Society Limited, Sussex Road, Byculla (East), Mumbai – 400 027, Maharashtra, India.	Operational convenience
May 07, 2010	Survey No.41, 42/13, 42/14, 42/18, Village Chal, Near MIDC Taloja, Panvel, Mumbai – 410 206, Maharashtra, India.	Operational convenience
December 02, 2022	Plot No. 41, 42/13, 42/14 & 42/18, near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai - 410 208, Maharashtra, India.	Correction of discrepancy

Main Objects of our Company

The Main Objects of our Company are as follows:

1. *To design, manufacture, fabricate, assemble, machinery, work on process, repair, alter, convert, buy, deal in, import, export or consult for plants, machineries, sub-assemble, machine parts, tools, gauges, jigs, instruments, appliances, components, accessories and finished or semi-finished engineering products for industrial, agricultural or domestic use.*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to Memorandum of Association

Date of shareholder's resolution	Nature of amendments
March 30, 2018	*The clause III (C) (Other Objects) of our Memorandum of Association was deleted in its entirety so as to harmonize the MoA of the Company with Companies Act, 2013 and to fulfil the requirements of Table A of Schedule I of the Companies Act, 2013.*
May 23, 2022	*The clause V of our Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹ 45,00,00,000 consisting of 2,40,00,000 Equity Shares of ₹ 10 each, 10,00,000 Series 'A' preference shares of ₹10/- each and 10,00,000 Series 'A' preference shares of ₹200/- each., to ₹56,00,00,000 consisting of 3,50,00,000 Equity Shares of ₹10/- each, 10,00,000 Series 'A' preference shares of ₹10/- each and 10,00,000 Series 'A' preference shares of ₹200/- each.*
February 15, 2023	*The clause V of our Memorandum of Association was amended to reflect the sub-division of equity shares of our Company from ₹56,00,00,000 consisting of 3,50,00,000 Equity Shares of ₹10/- each, 10,00,000 Series 'A' preference shares of ₹10/- each and 10,00,000 Series 'A' preference shares of ₹200/- each to ₹56,00,00,000/- divided into 17,50,00,000 Equity Shares of ₹ 02/- each, 10,00,000 Series 'A' Compulsorily Convertible Preference Shares of ₹10/- each and 10,00,000 Series 'A' Compulsorily Convertible Preference Shares of ₹200/- each.*

Except as stated above and in the chapter titled "*Capital structure*" under the heading "*Details of changes in authorized share capital of our Company since incorporation*" on page 84 of the Prospectus, our Company has not made any amendments to its Memorandum of Association ("**MoA**") during the last ten (10) years from the date of filing of this Prospectus.

Corporate Profile of our Company

Details regarding the description of our Company's activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, distributors and customers, segment, capacity/facility creation, launch of key products, entry in new geographies, capacity built-up, location of manufacturing facilities, marketing and competition, please refer to the chapters titled "*Our Business*", "*Our Management*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 152, 187 and 226 respectively, of this Prospectus.

Major Events and Milestones

The table below sets forth some of the key events, milestones in our history since its incorporation.

Year	Events
1993	Incorporation of our Company as a private company with the name '*Suyog Intermediates Private Limited*'.
2007	'*One Star Export House*' certification received from Government of India
2011	Tie-up with 'Victaulic U.S.A.'
2014	Entry of our Company into the Chinese market
2015 & 2016	Export operations of our Company extended beyond fifty (50) countries
2015 & 2016	Company surpassed a gross turnover of ₹ 1,000.00 million
2019	Incorporation of our U.K. Subsidiary
2020	Development of '*Turbine Hose Assemblies*'
2020	Export operations of our Company extended beyond eighty (80) countries
2021 & 2022	'*Two Star Export House*' certification received from Government of India
2022	Company surpassed gross turnover of ₹ 2,000.00 million recording a growth of 66.03%. compared to previous Fiscal
2022	Great Place to Work certificate issued by Great Place to Work Institute, India.

Awards and Accreditations

The table below sets forth some of the awards and accreditations received by our Company:

Calendar Year	Awards and Accreditations
2009	Certificate for participation in INDEE-Brazil 2009
2009	Certificate for participation in Mercopar 2009
2009	Export Excellence certificate for outstanding contribution to engineering exports
2023	Best Mid-size Enterprise of the year
2023	Best work place wellness programme
2023	Certificate dated July 13, 2023 from Maharashtra State Best Employer Brand Awards 2023

Strategic and Financial Partners

As on date of this Prospectus our Company does not have any strategic and financial partners.

Time and Cost Overrun

Our Company has not experienced any significant time and cost overrun in setting up projects.

Capacity/facility creation, location of plants

For details regarding our manufacturing facility, please refer to chapter titled "*Our Business – Manufacturing Facility*" on page no. 124 of this Prospectus.

Launch of key products or services, capacity/facility creation, location of plants, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, please refer to chapter titled "*Our Business*" on page no. 152 of this Prospectus.

Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks

For further details, please refer to chapter titled "*Outstanding Litigations and Material Developments*" on page 264 of this Prospectus.

Details regarding material acquisition or disinvestments of business/undertakings, mergers and amalgamation and any revaluation of assets, etc. in the last 10 years.

Our U.K. Subsidiary majorly acts as a channel partner of our Company in the U.K. and is in the business of stainless steel flexible hoses and assemblies. Our Company has entered into an International Collaboration Agreement dated April 01, 2020 ("**Agreement**") with the U.K. Subsidiary *inter alia* to availing assistance and opportunity for expansion in the international markets along with export management services and promoter of our Company's products.

Revaluation of assets

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years.

Holding Company

Sat Industries Limited, our Promoter is our holding company. For details pertaining to our Promoter, please refer to chapter titled "*Our Promoter and Promoter Group*" on page 206 of this Prospectus.

Subsidiary of our Company

Our Company has one (01) wholly owned subsidiary, namely Aeroflex Industries Limited (U.K.). For further details, please refer to the chapter titled, "*Our Subsidiary*" at page 185.

Associate or Joint ventures of our Company

As on date of this Prospectus, our Company does not have any associate companies.

Shareholders and Other Agreements

There are no shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

Agreements with key managerial personnel or a Director or Promoter or any other employee of the 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 the our Company

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter 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.

Guarantees given by Promoter offering its shares in the Offer for Sale

Except as stated below, as on date of this Prospectus, our Promoter has not issued any guarantees to third parties.

Guarantee given in favour of	Total value (₹ in million)	Reason	Obligation on our Company	Period/Term	Security available
Kotak Mahindra Bank Limited	550.00	For availing credit facilities	None	For further details, please refer to chapter titled "*Financial Indebtedness*" on page 226.	Mortgage by deposit of title deeds, hypothecation of land, building, structures, plant and machinery*
UCO Bank	336.00	For availing credit facilities	None	Until three calendar months after the Guarantor has given notice to the bank to discontinue the presents and payment of all outstanding dues is done.	Hypothecation of Company's current assets, first and exclusive charge by equitable mortgage of existing and proposed factory land and building and hypothecation charge on plant and machinery and other fixed assets.

**For more details with respect to security available, please refer to chapter titled 'Financial Indebtedness' on page 226.*

Material Agreements

As on date of this Prospectus, our Company has not entered into any material agreements with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business of our Company.

OUR SUBSIDIARY

As on date of this Prospectus, our Company has one (01) wholly owned subsidiary namely Aeroflex Industries Limited (U.K.). The details of our Subsidiary are as follows:

Aeroflex Industries Limited (U.K.)

Corporate Information

Aeroflex Industries Limited (U.K.) was incorporated vide certificate of incorporation dated May 17, 2019 bearing company number 12002556 as our wholly owned subsidiary under the Companies Act, 2006 (United Kingdom) with Registrar of Companies England and Wales. The registered office of our U.K. Subsidiary is situated at 71-75 Shelton Street, Convent Garden, London, England, WC2H9JQ, United Kingdom.

Our U.K. Subsidiary acts as a channel partner of our Company in the U.K. and is in the business of stainless steel flexible flow solutions and assemblies.

Capital Structure

The authorized capital of our U.K. Subsidiary is GBP 20,000 divided into 2,000 equity shares of face value GBP 10/- each. The issued, subscribed and paid up share capital is GBP 20,000 divided into 2,000 equity shares of GBP 10/- each.

Financial Information

In accordance with SEBI ICDR Regulations, certain financial information for Fiscal March 31, 2023, March 31, 2022 and March 31, 2021 pertaining to; (i) the details of reserves (excluding revalidation reserves), (ii) sales; (iii) profit/loss) after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to our WOS for the last three (03) financial years, extracted from its audited financial statements (as applicable) is available at the website of our Company website www.aeroflexindia.com.

Shareholding as on March 31, 2023.

The following table sets forth details of the shareholding of our U.K. Subsidiary:

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of total shareholding (%)
1.	Aeroflex Industries Limited	2,000	100.00%
	Total	**2,000**	100.00%

Accumulated Profits or Losses of our U.K. Subsidiary

There are no accumulated profits or losses of our Subsidiary, not accounted for, by our Company as on the date of this Prospectus.

Common Pursuits

Based on the business activities undertaken by our Subsidiary there are certain common pursuits amongst our subsidiary and our Company.

Related business transactions

Except as mention the arrangements/ transactions disclosed in the sections "*Restated Consolidated Financial Information - Note 41 – Related party disclosure*" beginning on page 217 of this RHP, our U.K. Subsidiary does not have any business interest in our Company.

Business interest between our Company and the Subsidiary

Our U.K. Subsidiary is engaged in the line of business that is similar and/or synergistic to our Company. Our U.K. Subsidiary has been incorporated to undertake or operate in line with our Company's business objectives in the international markets, on behalf of our Company.

Since our U.K. Subsidiary is our wholly owned subsidiary, we do not envisage any conflict of interest between our U.K. Subsidiary and us.

For further details on the business transactions between our Subsidiary and our Company and significance of such transactions on the financial performance of our Company see, "*Financial Statements -Related Party Transactions*" at page 217.

Except as stated in the chapters titled "*Our Business*" and "*Financial Information - Related Party Transactions*" on pages 152 and 217, our Subsidiary does not have any business interest in our Company.

Litigation

For details pertaining to outstanding litigations relating to our U.K. Subsidiary, please refer to chapter titled "*Outstanding Litigations and Material Developments*" on page 264 of this Prospectus.

Other confirmations

1. Our U.K. Subsidiary are not listed on any Stock Exchanges in India or abroad. Further, our Subsidiary have not been refused listing of any securities at any time, by any of the recognised Stock Exchanges in India or abroad.

2. Our U.K. Subsidiary have not made any public or rights issue (including any rights issue to the public) in the three (03) years preceding the date of this Prospectus.

3. There have been no instances of default in repayment of deposits or payment of interest thereon by our Subsidiary.

4. None of the equity shares held by the Company in our U.K. Subsidiary are pledged or are otherwise encumbered.

OUR MANAGEMENT

Our Board of Directors

In terms of the Companies Act and our Articles of Association require us to have not less than three (03) and not more than fifteen (15) Directors. As on date of this Prospectus, we have seven (07) Directors on our Board, which includes, one (01) Managing Director, one (01) Whole – time Director, one (01) Non-Executive Director and four (04) Independent Directors, one of whom is also the woman director of our Company.

Set forth below, are details regarding our Board as on the date of this Prospectus:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Asad Daud **DIN:** 02491539 **Date of Birth:** August 03, 1990 **Designation:** Managing Director **Address:** 303, Aashiana, 3rd Gunpowder Lane, near Nana Nani Park, Mazgaon, Mumbai – 400 010, Maharashtra, India. **Occupation:** Business **Term:** For a period of five (05) years w.e.f. October 15, 2022 to October 14, 2027 (Liable to retire by rotation) **Nationality:** Indian	33	a) Sat Industries Limited b) Lion Houseware Private Limited c) Sat Invest Private Limited d) Sah Polymers Limited e) A Flex Invest Private Limited f) Aeroflex Finance Private Limited g) Aeroflex Industries Limited (U.K.)
Mustafa Abid Kachwala **DIN:** 03124453 **Date of Birth:** February 23, 1968 **Designation:** Whole-time Director **Address:** 48/52, Room No – 6, 1st Floor, Khara Tank Road, Opposite Saifee Sweet Mart, Bhendi Bazar, Mandvi, Mumbai -400 003, Maharashtra, India. **Occupation:** Professional **Term:** For a period of three (03) years w.e.f. April 01, 2023 **Nationality:** Indian	55	Nil
Ramesh Chandra Soni **DIN:** 00049497 **Date of Birth:** October 19, 1959 **Designation:** Non-Executive Independent Director	63	a) Sat Industries Limited b) Sah Polymers Limited c) Aeroflex Finance Private Limited

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Address: 29, Chhoti Maheshwari Street, Dhan Mandi, Udaipur – 313 001, Rajasthan, India. **Occupation:** Professional **Term:** For a period of five (05) years w.e.f. October 15, 2019 **Nationality:** Indian		
Harikant Ganeshlal Turgalia **DIN:** 00049544 **Date of Birth:** July 30, 1962 **Designation:** Non-Executive Director **Address:** Flat No.803, 8th Floor, I Wing, Bhoomi Park Phase 5 CHS Ltd, Jankalyan Nagar, Malad west, Near Billa Bong School, Kharodi – 400 095, Mumbai, Maharashtra, India. **Occupation:** Business **Term:** Appointed w.e.f. October 15, 2019 liable to retire by rotation. **Nationality:** Indian	61	a) Sat Industries Limited b) Fibcorp Polyweave Private Limited
Shilpa Bhatia **DIN:** 08695595 **Date of Birth:** March 29, 1974 **Designation:** Independent Director **Address:** Flat no. 1103, Godrej Serenity, Deonar Village road, opposite Dattaguru Society, Deonar Mumbai – 400 088, Maharashtra, India. **Occupation:** Advocate **Term:** For a period of five (05) year w.e.f. July 08, 2023 **Nationality:** Indian	49	a) Bliss GVS Pharma Limited
Partha Sarathi Sarkar **DIN:** 00047272 **Date of Birth**: April 19, 1951 **Designation:** Independent Director **Address:** J-1812, Chittaranjan Park, New Delhi, Delhi – 110 019, India. **Occupation:** Professional	72	a) Atlas Equifin Private Limited b) Sat Industries Limited

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Term: For a period of three (03) years w.e.f. August 05, 2022 **Nationality:** Indian		
Arpit Khandelwal **DIN:** 09684341 **Date of Birth**: April 25, 1991 **Designation:** Independent Director **Address:** 43, Durga Vihar Colony, Durgapura, Jaipur – 302 018, Rajasthan, India. **Occupation: Professional** **Term:** For a period of one (01) year w.e.f. November 28, 2022 **Nationality:** Indian	32	a) Sat Industries Limited

Brief Biographies of our Directors

Asad Daud, aged thirty-three (33) years, is the Managing Director and Chairman of our Company. He holds a bachelor's degree in accounting and finance from Hassaram Rijhumal (H.R.) College of Commerce and Economics, Mumbai and a master's degree in accounting and finance from London School of Economics, London. He has over 12 years of experience in the manufacturing industry and has played an instrumental role in expanding the domestic and foreign operations of our Company. He's involved in bringing about innovation in the operations and products of the Company. His input has helped our Company to diversify its operations and activities.

Mustafa Abid Kachwala, aged fifty-five (55) years, is the Whole-time Director of our Company. He holds a bachelor's degree in commerce from Mumbai University. He has worked with Akbarallys Pharma Vet Division in Mumbai from 1986 to 2004 before joining Aeroflex Industries Limited. He has been associated with the Company since 2010 and was re-designated as the Chief Financial Officer with effect from November 28, 2022. He currently looks after the financial affairs of the Company.

Ramesh Chandra Soni, aged sixty-three (63) years, is the Independent Director of our Company. He holds a bachelor's degree in commerce from University of Udaipur. He is also a fellow member of Institute of Chartered Accountants of India. He is a practicing chartered accountant and has experience of over 35 years in the fields on accounts, finance, taxation and banking.

Harikant Ganeshlal Turgalia, aged sixty-one (61) years, is the Non-Executive Director of our Company. He holds a bachelor's degree in commerce from University of Udaipur**.** He brings to the Company 30 years of management administration experience. He was associated with our Promoter since 2001 and he was responsible for handling the financial aspects.

Shilpa Bhatia, aged forty-nine (49) years, is the Independent Director of our Company. She holds bachelor's degree in arts from St. Xavier's College Mumbai, diploma in Personal Management from XIM Mumbai, bachelor's and master's degree in law from Mumbai University. She is a practising advocate in Hon'ble High Court of Bombay and has over 20 years of experience.

Partha Sarathi Sarkar, aged seventy two (72) years, is the Independent Director of our Company. He holds a bachelor's degree in technology (honours) from Indian Institute of Technology Delhi and master's degree in business administration from Indian Institute of Management. He started his career with Unilever in Mumbai and subsequently joined the Tata Administrative Services, where he served for over two decades in various capacities in several Tata companies. He worked directly with Ratan Tata in Tata Industries to develop the first long-term Strategic Plan for the Tata Group in the early 1980s. Later he established several new companies for the Tata Group. He has also offered advisory and consultation services to various firms.

Arpit Khandelwal, aged thirty two (32) years, is the Independent Director of our Company. He is a member of Institute of Chartered Accountants of India and holds a bachelor's degree in commerce from University of Rajasthan. He has also completed the programme of Chartered Financial Analyst. He has ten years of experience in the field of risk management, corporate laws, indirect taxes and international trade laws.

Confirmations

1. None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the Stock Exchanges in the five (05) years preceding the date of filing of this Prospectus with the SEBI, during the term of his/her directorship in such company.

2. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any Stock Exchanges(s) at any time in the past.

3. For details of disclosure pertaining to 'Wilful Defaulters' please refer to chapter titled "*Outstanding Litigations and Disclosure Requirements – Disclosures Pertaining to Wilful Defaulters*" on page 268. Our Directors have been ever identified as a wilful defaulter or fraudulent borrowers, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.

4. Neither our Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

5. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.

6. Our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

7. No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

Relationship between our Directors

As on date of this Prospectus, none of the Directors on our Board are related to each other.

Arrangements and Understanding with Major Shareholders

None of our Key Managerial Personnel or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which of the directors was selected as a director or member of senior management.

Details of service contracts entered into by the directors with the company providing for benefits upon termination of employment

As on date of this Prospectus, our Company has not entered into any service contracts with its directors which provide for benefits upon termination of employment.

Except as stated otherwise in this Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two (02) preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made regularly by our Company towards provident fund, gratuity fund and employee state insurance.

Borrowing Powers of our Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Our Company has, pursuant to meeting of Board of Directors held on May 20, 2022 and EGM held on May 23, 2022, resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, such sum or sums of moneys which together with the moneys already borrowed as the Board may deem fit for the purpose of the business of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), in excess to the aggregate of the paid – up capital of our Company and its free reserves, provided that the total amount borrowed by the Board of Directors and outstanding at one time shall not exceed ₹5,000.00 million.

Terms of appointment and remuneration of our Managing Director and Whole-time Director

i. Terms of Appointment of Asad Daud

Pursuant to a resolution passed by the Board of Directors at the meeting held on October 15, 2019 and approved by the Shareholders of our Company at the EGM held on October 23, 2019, Asad Daud was re-appointed as the Managing Director of our Company for a period of three (03) years with effect from October 15, 2019. Further, pursuant to resolution of shareholders passed in the 28th Annual General Meeting of the Company held on September 03, 2022 re-appointed for a further term of five (05) years with effect from October 15, 2022along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall not exceed the limits prescribed under Clause (A) Section II of Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

Basic Salary	In the scale of ₹0.50 million to ₹1.50 million (Annual CTC ₹9.25 million)
Performance incentive or commission	Annual increment to be effective from April 01 every year which will be decided by the Board of Directors and will be merit based taking into account the Company's performance.
Perquisites	In addition to the salary received, the Managing Director of our Company is entitled to the following perquisites and allowances: (100% of the salary) • Accommodation (furnished or otherwise)/ house rent allowance in lieu thereof, house maintenance allowance. • Medical allowance/reimbursement. • Leave and travel concession for self and family including dependents • Club fees • Accident/medical insurance • Encashment of leave • Reimbursement of actual expenses incurred towards gas, electricity, water, furnishing and repairs.

	Provision of car with chauffeur for Company's business and telephone use would not be considered as perquisites.

ii. Terms of appointment of Mustafa Abid Kachwala

Pursuant to a resolution passed by the Board of Directors at the meeting held on March 29, 2018 and approved by the Shareholders of our Company at the EGM held on March 30, 2018 Mustafa Abid Kachwala was appointed as the Whole-time Director of our Company for a period of five (05) years with effect from April 01, 2018. Further, pursuant to resolution of shareholders of the Company passed in the EGM dated February 15, 2023 Mustafa Abid Kachwala was re-appointed for a period of three (03) years with effect from. April 01, 2023 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall not exceed the limits prescribed under Section 197 of Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

Basic Salary	In the scale of ₹0.047 million to ₹0.10 million per month (Annual CTC ₹1.20 million)
Performance incentive or commission	Nil
Perquisites	Perquisites and allowances will be 150% of basic monthly salary. I. Perquisites **Category 'A'** i. Housing III. In case no accommodation is provided by the Company, the Whole-time Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing I. ii. Medical Reimbursement – expenses incurred for the Whole-time Director and her family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years. iii. Leave Travel Concession- for the Whole-time director and her family, once in a year incurred in accordance with any rules specified by the company. For the purposed of this part 'family' means the spouse, dependent children and dependent of the Whole-time Director. **Category 'B'** i. Gratuity not exceeding half month's salary for each completed year of service. ii. Encashment of leave as per the rules of the Company. **Category 'C'** Provision of car for use on the Company's business and telephone at the residence will not be considered perquisites. Personal long distance call and use of car for private purposes shall be billed by the Company to the Whole-time Director. In the event of loss or absence or inadequacy of profits in any financial year of the company, Mr. Mustafa Abid Kachwala, Whole-time Director shall be paid the salary and perquisite as specified herein above

Remuneration details of our Directors

(i) Remuneration of our Executive Directors

The aggregate value of the remuneration paid to the Executive Directors for Fiscal ended March 31, 2023 is as follows:

Sr.No.	Name of the Director	Remuneration (₹ in million)*
1.	Asad Daud	₹8.31
2.	Mustafa Abid Kachwala	₹1.06

- As per Form-16 for Fiscal 2023*

As on date of this Prospectus, none of the Executive Directors of our Company have been paid sitting fee for attending meetings of our Board and the committees of our Board.

(ii) Sitting fee details of our Non-Executive Directors and Independent Directors

As on date of this Prospectus, the independent directors of our Company namely Ramesh Chandra Soni, Shilpa Bhatia and Partha Sarathi Sarkar are entitled to receive a sitting fee of ₹0.025/- million for every board meeting attended by such independent director.

Payment or benefit to Directors of our Company

Except as disclosed in this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Executive Directors except the normal remuneration for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our Directors.

Remuneration paid to our Directors by our Subsidiary

As on date of this Prospectus, our Subsidiary has not paid any remuneration to our Directors.

Bonus or Profit Sharing Plan for our Directors

None of our Directors are a party to any bonus or profit sharing plan.

Loans to Directors

As on date of this Prospectus, our Company has not furnished any loans or advances to its Directors.

Shareholding of Directors in our Company

Except as stated below, none of our other Directors holds any Equity Shares of our Company as on the date of filing of this Prospectus:

Sr. No.	Name of Director	Designation	Number of Equity Shares held
1.	Asad Daud	Managing Director and Chairman	500
2.	Mustafa Abid Kachwala	Whole-Time Director and Chief Financial Officer	500
3.	Harikant Ganeshlal Turgalia	Non-Executive Director	500

Shareholding of Directors in our Subsidiary

None of the Directors of our Company hold any shares in the Subsidiary of our Company.

Interest of our Directors

Our Executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our Directors, see "*Terms of appointment and remuneration of our Executive Directors*" above.

Our Directors may also be interested to the extent of Equity Shares held by them or held by the entities in which they are associated as promoter, directors, partners, proprietors or trustees or kartas or coparceners or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoter, directors, partners, proprietors, members or trustees, pursuant to this Offer. Except as disclosed in "*Financial Information*", "*Our Promoter and Promoter Group*" and "*Our Subsidiary*" on page 222, 206 and 185, respectively, our Directors are not interested in any other company, entity or firm.

Interest as to property

As on date of this Prospectus, the Directors of our Board are not interested in any property acquired or proposed to be acquired by our Company.

Changes in our Board during the Last Three (03) Years

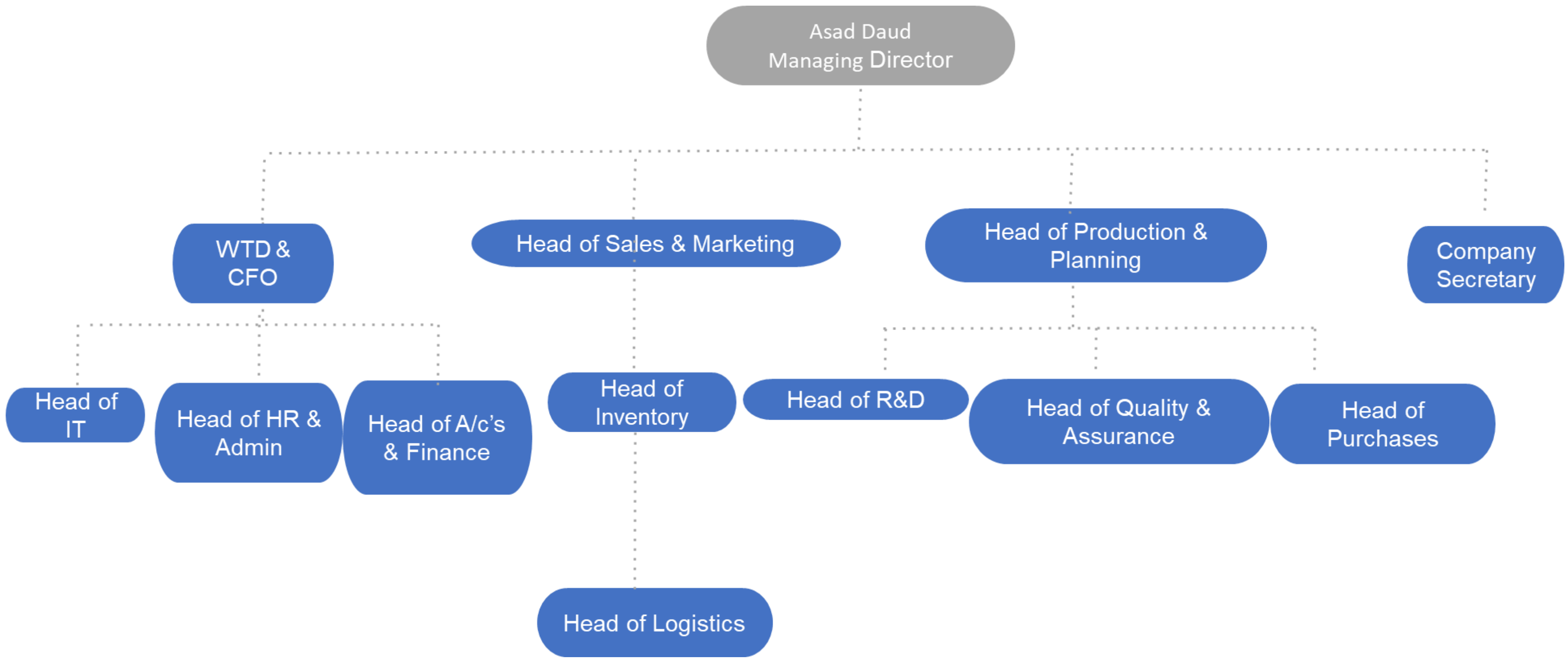
Except as disclosed below, there have been no changes in our Board during the last three (03) years.

Name of Director	Date of Appointment	Date of Cessation	Reason
Mahendra Bhatnagar	-	August 01, 2022	@Cessation as Independent Director of the Company
Shilpa Bhatia	August 05, 2022	-	Appointment as Additional Independent Director
Partha Sarathi Sarkar	August 05, 2022	-	Appointment as Additional Independent Director
Shilpa Bhatia	September 03, 2022	-	Regularization as Independent Director
Partha Sarathi Sarkar	September 03, 2022	-	Regularization as Independent Director
Arpit Khandelwal	November 28, 2022	-	Appointment as Additional Independent Director
Arpit Khandelwal	February 15, 2023	-	Regularization as Independent Director
Shilpa Bhatia	July 08, 2023	-	Re-appointment as Independent Director
Mustafa Abid Kachwala	April 01, 2023	-	Re-appointment as Whole-time Director

@*Mahendra Bhatnagar, the erstwhile Independent Director of our Company resigned from his post due to personal commitments. We confirm that there was no other reason for his resignation from the post of Director on the Board of Directors of our Company.*

Management Organization Structure

Set forth is the management organization structure of our Company


Asad Daud
Managing Director
WTD & CFO
Head of Sales & Marketing
Head of Production & Planning
Company Secretary
Head of IT
Head of HR & Admin
Head of A/c's & Finance
Head of Inventory
Head of R&D
Head of Quality & Assurance
Head of Purchases
Head of Logistics

Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance will be applicable to our Company immediately upon the listing of our Equity Shares on the Stock Exchanges.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

a) Audit Committee;
b) Stakeholders' Relationship Committee;
c) Nomination and Remuneration Committee;
d) Corporate and Social Responsibility Committee; and
e) IPO Committee.

Details of each of these committees are as follows:

a. Audit Committee

Our Audit Committee was constituted on April 12, 2007 and reconstituted twice on June 18, 2010 and April 02, 2018 and further reconstituted on February 13, 2023 in compliance with SEBI Listing Regulations with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1.	Ramesh Chandra Soni	Chairman
2.	Asad Daud	Member
3.	Arpit Khandelwal	Member

The Audit Committee is in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

A. Powers of Audit Committee

The Audit Committee shall have the following powers:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary

B. Role of the Audit Committee

The role of the audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. 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. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Monitoring the end use of funds raised through public offers and related matters;

8. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

9. Approval of any subsequent modification of transactions of the company with related parties;

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 Accounting Standards.

10. Scrutiny of inter-corporate loans and investments;

11. Valuation of undertakings or assets of the company, wherever it is necessary;

12. Evaluation of internal financial controls and risk management systems;

13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

14. 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;

15. Discussion with internal auditors of any significant findings and follow up there on;

16. 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;

17. 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;

18. 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;

19. Reviewing the functioning of the whistle blower mechanism

20. Approval of appointment of CFO (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;

21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and

22. Reviewing the utilization of loans and/or advances from/investments by the holding company in the subsidiary exceeding rupees hundred crores or 100% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments, as may be applicable.

Further, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;

- Statement of significant related party transactions (as defined by the audit committee), submitted by management;

- Management letters / letters of internal control weaknesses issued by the statutory auditors;

- Internal audit reports relating to internal control weaknesses; and

- Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

- statement of deviations:

  a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchanges(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
  b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) the SEBI Listing Regulations.

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings and the quorum for each meeting of the Audit Committee shall be two members or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

b. Stakeholders' Relationship Committee

Our Stakeholder' Relationship Committee was constituted on February 13, 2023. The members of the said Committee are as follows:

Sr. No.	Name of Member	Designation
1.	Harikant Ganeshlal Turgalia	Chairman
2.	Asad Daud	Member
3.	Arpit Khandelwal	Member

The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Stakeholders' Relationship Committee.

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders' Relationship Committee of our Company include:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipts of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

2. Review of measures taken for effective exercise of voting rights of by shareholders;

3. 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;

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipts of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company; and

5. Carrying out any other function as prescribed under the SEBI Listing Regulations as and when amended from time to time.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the security holders. The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

c. Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was constituted on April 02, 2018 and reconstituted on February 13, 2023 with the following members:

Sr. No.	Name of Member	Designation
1.	Ramesh Chandra Soni	Chairman
2.	Harikant Ganeshlal Turgalia	Member
3.	Partha Sarathi Sarkar	Member

The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of independent directors and the Board;

3. Recommend to the Board of Directors all remuneration, in whatever form, payable to senior management;

4. Devising a policy on Board diversity;

5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

6. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

   - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent each is applicable; or

   - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

7. Evaluating the performance of the independent directors and on the basis of their performance evaluation recommending the Board of Directors and the members of the Company to extend or continue the term of appointment of the independent director; and

8. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one independent director in presence.

d. Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was originally constituted on May 20, 2022 and re- constituted November 28, 2022 with the following members forming a part of the said committee:

Sr. No.	Name of Member	Designation
1.	Asad Daud	Chairman
2.	Hari Kant Turgalia	Member
3.	Arpit Khandelwal	Member
4.	Mustafa Abid Kachwala	Member

The Corporate Social Responsibility Committee is in compliance with Section 135 of the Companies Act 2013.The Company Secretary shall act as the secretary of the Corporate Social Responsibility Committee.

The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a CSR policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;

2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;

3. To monitor the CSR policy of the Company from time to time;

4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

e. IPO Committee

Our IPO Committee was constituted on September 17, 2021 for the purpose of the Offer. The members of the said Committee are as follows:

Sr. No.	Name of Member	Designation
1.	Asad Daud	Chairman
2.	Hari Kant Turgalia	Member
3.	Mustafa Abid Kachwala	Member

The Company Secretary shall act as the secretary of the IPO Committee.

The terms of reference of the IPO Committee include the following:

1. Approving amendments to the memorandum of association and the articles of association of the Company;

2. Approving all actions required to dematerialize the Equity Shares, including seeking the admission of the Equity Shares into the Central Depository Services (India) Limited (the "**CDSL**") and the National Securities Depository Limited (the "**NSDL**");

3. Finalizing and arranging for the submission of the DRHP, the RHP, the Prospectus and any amendments, supplements, notices or corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies;

4. Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;

5. Issuing advertisements as it may deem fit and proper in accordance with Applicable Laws;

6. Approving suitable policies, including on insider trading, whistle blower/vigil mechanism, risk management and other corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under Applicable Laws in connection with the Offering;

7. Deciding on the size and all other terms and conditions of the Offer and/or the number of Equity Shares to be offered in the Offer, including any Pre-IPO Placement, Reservation, Green Shoe Option and any rounding off in the event of any oversubscription as permitted under Applicable Laws;

8. Taking all actions as may be necessary or authorized in connection with the Offer;

9. Appointing and instructing book running lead manager, syndicate members, placement agents, bankers to the Offer, the registrar to the Offer, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring

agencies, advertising agencies and all such persons or agencies as may be involved in or concerned with the Offer and whose appointment is required in relation to the Offer, including any successors or replacements thereof;

10. Opening bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in Rupees or in any other currency, in accordance with Applicable Laws;

11. Entering into agreements with, and remunerating all such book running lead manager, syndicate members, placement agents, bankers to the Offer, the registrar to the Offer, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all other agencies or persons as may be involved in or concerned with the Offer, including any successors or replacements thereof, by way of commission, brokerage, fees or the like;

12. Seeking the listing of the Equity Shares on the Stock Exchanges, submitting listing application to the Stock Exchanges and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the listing agreement with the Stock Exchanges;

13. Seeking, if required, the consent of the Company's lenders and lenders of its Subsidiary , parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Offer;

14. Submitting undertaking/certificates or providing clarifications to the SEBI and the Stock Exchanges;

15. Determining the price at which the Equity Shares are issued to investors in the Offer in accordance with Applicable Laws, in consultation with the book running lead manager and/or any other advisors, and determining the discount, if any, proposed to be issued to eligible categories of investors;

16. Determining the price band and minimum lot size for the purpose of bidding, any revision to the price band and the final Offer price after bid closure;

17. Determining the Bid/Offer opening and closing dates;

18. Finalizing the basis of allocation of Equity Shares to retail investors/non-institutional investors/qualified institutional buyers and any other investor in consultation with the book running lead manager, the Stock Exchanges and/or any other entity;

19. Opening with the bankers to the Offer, escrow collection banks and other entities such accounts as are required under Applicable Laws;

20. To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more Stock Exchanges(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;

21. Severally authorizing Asad Daud and Hari Kant Turgalia ("**Authorized Officers**"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officers consider necessary, desirable or expedient, in connection with the Offer, including, without limitation, engagement letters, memorandum of understanding, the listing agreement with the Stock Exchanges, the registrar's agreement, the depositories' agreements, the offer agreement with the book running lead manager (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the escrow agreement, confirmation of allocation notes, the advertisement agency agreement and any undertakings and declarations, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection

with the Offer, the book running lead manager, syndicate members, placement agents, bankers to the Offer, registrar to the Offer, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Offer including any successors or replacements thereof; and any such agreements or documents so executed and delivered and acts, deeds, matters and things done by any such Authorized Officers shall be conclusive evidence of the authority of the Authorized Officers and the Company in so doing;

22. Severally authorizing the Authorized Officers to take any and all action in connection with making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection with the Offer, including, without limitation, applications to, and clarifications or approvals from the GoI, the RBI, the SEBI, the RoC, and the Stock Exchanges and that any such action already taken or to be taken is hereby ratified, confirmed and/or approved as the act and deed of the Authorized Officers and the Company, as the case may be;

23. Severally authorizing the Authorized Officers, for and on behalf of the Company, to execute and deliver any and all documents, papers or instruments and to do or cause to be done any and all acts, deeds, matters or things as any such Authorized Officers may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Offer; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officers shall be conclusive evidence of the authority of such Authorized Officers and the Company in so doing and any such document so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officers prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officers and the Company, as the case may be; and

24. Executing and delivering any and all documents, papers or instruments and doing or causing to be done any and all acts, deeds, matters or things as the IPO Committee may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Offer; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

Our Key Managerial Personnel

In addition to our Whole-time Director and our Managing Director, whose details have been provided under paragraph above titled *'Brief Profile of our Directors'*, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Prospectus:

Kinjal Kamlesh Shah, aged 28 years, is the Company Secretary and Compliance Officer of our Company. She holds a bachelor's in commerce from the Mumbai University. She is an associate member of the Institute of Company Secretaries of India and has in the past served in Vipul Organics Limited and AGT Foods Limited as a Company Secretary and Compliance Officer. She is responsible for handling secretarial and compliance matters of our Company and was appointed as a Company Secretary with effect from December 07, 2021 and was appointed as a Compliance Officer with effect from May 20, 2022. Kinjal Kamlesh Shah has received ₹ 0.59 million as remuneration for Fiscal ended March 31, 2023.

Mustafa Abid Kachwala, aged 55 years, is the Whole Time Director and Chief Financial Officer of our Company. He was appointed as the Chief Financial Officer with effect from November 28, 2022 and has received ₹1.06 million as remuneration for Fiscal ended March 31, 2023. For further details, kindly refer the paragraph above titled *'Brief Profile of our Directors'* on page 189.

All our Key Managerial Personnel are permanent employees of our Company.

Our Senior Management

In addition to the Chief Financial Officer and the Company Secretary and Compliance Officer of our Company, whose details are provided in "Key Managerial Personnel" above, the details of our Senior Management as on the date of this Prospectus are as follows:

Pervez Akhter, is the Vice President – Sales & Marketing of our Company and is associated with our Company since January 1, 2001, its foundation days. He holds a bachelor of engineering degree in mechanical engineering and has completed his MBA from University of Delhi. He has 32 years of combined experience in the automotive industry, sales and marketing and business development. He received a remuneration of ₹ 10.01 million in the Fiscal 2023.

Harish Khatter, is the Vice President – Operations of our Company and is associated with our Company since September 17, 2018. He holds a bachelor of engineering degree in mechanical engineering from Indian Institute of Engineers (IIE) and has completed his post graduate diploma in business management from ICFAI, Hyderabad. He has 33 years of combined experience in the automotive industry, sales and marketing and overall organization management. He received a remuneration of ₹ 3.47 million in Fiscal 2023.

Drashti Chauhan, is the Finance Controller of our Company. She is associated with our Company for a term of five years commencing from August 17, 2020. She holds a bachelor of commerce degree from University of Bhavnagar and is a member of the Institute of Chartered Accountants of India. She has seven years of experience in the field of finance and accounting. She received a remuneration of ₹ 0.95 million in Fiscal 2023.

All our Senior Management are permanent employees of our Company.

Relationship of Key Managerial Personnel and Senior Management with our Directors, Promoter and / or other Key Managerial Personnel

None of our Directors, Key Managerial Personnel and Senior Management are related to each other.

Shareholding of the Key Managerial Personnel and Senior Management

As on date of this Prospectus, no key managerial personnel or senior managerial person of our Company holds any Equity Shares of face value ₹2/- each, Preference Shares of ₹10/- each or Preference Shares of ₹200/- each of our Company, except as stated below:

Sr. No	Name of the Key Managerial Personnel and Senior Management	Designation	Number of Equity Shares of face value ₹2/- each held
1.	Asad Daud	Managing Director and Chairman	500
2.	Mustafa Abid Kachwala	Whole-Time Director and Chief Financial Officer	500
3.	Pervez Akhter	Senior Vice President Sales and Marketing	740,000

Bonus or Profit Sharing Plan for our Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management is a party to any bonus or profit sharing plan.

Payment or benefit to Key Managerial Personnel and Senior Management of our Company

Except the normal remuneration for services rendered by them as disclosed in this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Key Managerial Personnel. Additionally, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel.

Interest of Key Managerial Personnel

Except as disclosed in this Prospectus, none of our Key Managerial Personnel's have any interest in our Company other than to the extent of the remuneration, equity shares held by them or benefits to which they are entitled to our Company as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been appointed.

Changes in Key Managerial Personnel in the Last Three Years

Set forth below, are the changes in our Key Managerial Personnel in the last three years immediately preceding the date of filing of this Prospectus:

Name	Designation	Date of change	Reason
Waman Shete	Chief Financial Officer	May 27, 2020	Resignation
Mustafa Abid Kachwala	Chief Financial Officer	June 05, 2020	Appointment
Yusuf Kagzi	Chief Executive Officer	August 12, 2021	Resignation
Madhuri Vyas	Company Secretary	December 01, 2021	Resignation
Kinjal Kamlesh Shah	Company Secretary	December 07, 2021	Appointment
Kinjal Kamlesh Shah	Compliance Officer	May 20, 2022	Appointment
Mustafa Abid Kachwala	Chief Financial Officer	April 30, 2022	Resignation
Deepak Kalera	Chief Financial Officer	May 02, 2022	Appointment
Deepak Kalera	Chief Financial Officer	June 04, 2022	Resignation*
Mustafa Abid Kachwala	Chief Financial Officer	November 28, 2022	Appointment

**Mr. Deepak Kalera resigned as the Chief Financial Officer of the Company owing to certain personal reasons which were not disclosed to the Company at the time of his resignation.*

The attrition of the key management personnel is at par with the industry standards.

Employees' Stock Option Plan

Our Company has formulated an employee stock option scheme namely the "**ESOP 2022**" pursuant to a resolution passed by the Board on August 05, 2022 and the Shareholders in AGM dated September 03, 2022, with a maximum options pool of options not exceeding two percent (02%) of the issued subscribed and paid-up Equity Share Capital. Further, the ESOP 2022 contemplates a statutory minimum vesting period of one (01) year from the date of grant of options.

The primary objective of the ESOP 2022 is to reward key employees for their association, dedication and contribution to the goals of the Company. The ESOP Scheme is in compliance with the SEBI SBEB Regulations with the Nomination, Remuneration and Compensation Committee administering the ESOP 2022. As of the date of this Prospectus, no options have been granted and no Equity Shares have been issued under the ESOP Scheme.

Loans taken by Directors / Key Management Personnel

Our Company has not granted any loans to the Directors and/or Key Management Personnel as on the date of this Prospectus.

OUR PROMOTER AND PROMOTER GROUP

As on date of this Prospectus, Sat Industries Limited is the sole Promoter of our Company and our Company does not have any natural persons classified as our promoter(s) of our Company. Our Promoter holds, in aggregate of 96,681,833 Equity Shares of face value ₹2/- each constituting 84.57% of pre – Offer issued, subscribed and paid-up equity share capital of our Company. Our Promoter has declared 5% dividend per equity share in Financial year 2020-21, 7.5% dividend per equity share in Financial year 2021-22 and an interim dividend of 5% and final dividend of 5% per equity share in Financial year 2022-23. Our Promoter is a strategic investor and has a track record of scaling up of multiple diverse businesses backed by acquisition led strategy of acquiring, turning-around and scaling up diverse businesses across industries. Besides Aeroflex Industries Ltd, our Promoter acquired Sah Polymers Ltd in 2015 and Fibcorp Polyweave Private Limited in 2022. Sah Polymers Limited went public and got listed on BSE and NSE on January 12, 2023. Since acquisition of our Company in 2018, our Promoter has been contributing in determining our strategic direction and future growth path. Each of these businesses are led by respective CEOs / management under the supervision of the respective Board of Directors. Moreover, Sat Industries Ltd has made more than 125 investments in start-ups across 30 sectors. For details of the build-up of our Promoters' shareholding in our Company, please refer to chapter titled "*Capital Structure –Details of Build-up of our Promoter's shareholding*" on page 84 of this Prospectus.

Details of our Promoter

Corporate Information

Sat Industries Limited ("**Promoter**") was originally incorporated as a public limited company under the Companies Act, 1956, under the name and style of "*Regent Leasing & Finance Limited*" pursuant to a Certificate of Incorporation dated November 23, 1984. The name of the company was subsequently changed to "*Sat Investeck Limited*" pursuant to certificate of incorporation dated May 31, 2001. Pursuant to certificate of incorporation dated December 19, 2006 name "*Sat Investeck Limited*" was changed to the current name i.e., "*Sat Industries Limited*". The CIN of the Company is L25199MH1984PLC034632. The registered office of our Promoter is at 121, B-Wing, Mittal Tower, Nariman Point, Mumbai – 400 021, Maharashtra, India. Equity shares of our Promoter are listed on BSE Limited and National Stock Exchange of India Limited. Our Promoter is *inter alia* engaged in the business of general trading of merchandise, leasing of assets and financing.

Amalgamation: Our Promoter ("**Transferee Company**") vide resolution of its board of directors dated September 23, 2020 filed an application under section 230-232 of the Companies Act, 2013 with the Hon'ble National Company Law Tribunal, Mumbai for amalgamation of two of its wholly owned subsidiaries namely: Aeroflex International Limited ("**Transferor Company 1**") and Italica Furniture Private Limited ("**Transferor Company 2**"). The Hon'ble NCLT vide its order dated January 06, 2023 sanctioned the amalgamation of Transferor Company 1 and Transferor Company 2 in the Transferee Company. The impact of the said amalgamation on our Promoter will be availability of more funds, better control, avoidance of duplication of activity, etc.

Nature of activities

Our Promoter is an incubator of both conventional cash-flow generating businesses and new-age start-ups. It is a listed entity that has diverse businesses under its portfolio, which ranges across multiple industries. Some of the key business activities undertaken by our Promoter through its subsidiaries is manufacturing, leasing, trading, import and export, finance and investments.

Board of Directors

The board of directors of our Promoter comprise of the following members:

Sr.No.	Name	Designation
1.	Shehnaz D. Ali	Whole-time Director
2.	Harikant Ganeshlal Turgalia	Whole-time Director and Chief Financial Officer
3.	Ramesh Chandra Soni	Non-Executive Independent Director
4.	Asad Daud	Non-Executive Non Independent Director
5.	Partha Sarathi Sarkar	Non-Executive Independent Director

6.	Arpit Khandelwal	Non-Executive Independent Director

Change in Control

There has not been a change in control of our Promoter in the preceding three years.

Shareholding Pattern

The authorised share capital of our Promoter is ₹290,000,000 divided into 145,000,000 equity shares of face value ₹2/- each and the issued, subscribed and paid-up capital of our Promoter is ₹226,170,000 divided into 113,085,000 equity shares of face value ₹2/- each.

The shareholding pattern of our Promoter as on quarter ended June 2023 is as follows:

Category of shareholder	**No. of share holders**	**No. of fully paid up equity shares held**	**Total no. shares held**	**Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)**	**No. of Voting Rights**	**Total as a % of Total Voting right**	**No. of equity shares held in dematerialized form**
Promoter & Promoter Group	2	58,335,000	58,335,000	51.59	58,335,000	51.59	58,335,000
Public	6,956	54,750,000	54,750,000	48.41	54,750,000	48.41	54,749,970
Shares underlying DRs				0.00		0.00	
Shares held by Employee Trust				0.00		0.00	
Non Promoter-Non Public				0.00		0.00	
Grand Total	**6,958**	**113,085,000**	**113,085,000**	**100.00**	**113,085,000**	**100.00**	**113,084,970**

For further details pertaining to shareholding pattern of SIL, please refer to the following link https://www.bseindia.com/stock-share-price/sat-industries-ltd/satindltd/511076/shareholding-pattern/

Our Company confirms that the permanent account number, bank account number(s), company registration number and the address of the registrar of companies where SIL is registered, have been be submitted to the Stock Exchanges at the time of filing the Prospectus.

Details of the promoter & promoter group of our Promoter:

The promoter of Sat Industries Limited is Sat Invest Private Limited and A Flex Invest Private Limited. The promoters of Sat Invest Private Limited and A Flex Invest Private Limited are Asad Daud and Shehnaz D Ali.

The following table sets forth details of the shareholding pattern of Sat Invest Private Limited as on the date of this Prospectus:

S. No.	Name of Equity Shareholders	No. of Equity Shares	% of Equity Share Capital
1.	M/s. DA Tradetech Private Limited	357,000	19.97 %
2.	Shehnaz D Ali	134,179	7.50 %
3.	Asad Daud	377,635	21.12 %
4.	Lion Houseware Private Limited	72,888	4.08 %
5.	Space Age Polymers LLP	716,347	40.07 %
6.	Park Continental Private Limited	64,000	3.58 %
7.	S.A. Global Trader LLC	65,869	3.68 %
	Total	**1,787,918**	**100.00 %**

The following table sets forth details of the shareholding pattern of A Flex Invest Private Limited as on the date of this Prospectus:

S. No.	Name of Equity Shareholders	No. of Equity Shares	% of Equity Share Capital
1.	Shehnaz D Ali	120,000	60.00 %
2.	Asad Daud	80,000	40.00 %
	Total	**200,000**	**100.00%**

The Significant Beneficial Owner of our Promoter or the natural persons in control of our Promoter are the following-

Individuals (Significant Beneficial Owners)	Promoters & Promoter group (PG) of our Corporate Promoter	Shares Held (%) or Voting Rights (%)
Asad Daud	Sat Invest Private Limited	21.12%
Shehnaz D. Ali	Sat Invest Private Limited	7.50%
Asad Daud	A flex Invest Private Limited (Promoter Group)	40.00%
Shehnaz D. Ali	A flex Invest Private Limited (Promoter Group)	60.00%

Our Company confirms that the Permanent Account Number, Bank account number, Company Registration Number and the address of the Registrar of Companies where Sat Industries Limited is registered, shall be submitted to the Stock Exchange at the time of filing this Prospectus.

Change in Control of our Company

Our Company was originally incorporated as '*Suyog Intermediates Private Limited*' and the original subscribers to the Memorandum of Association were Atul Rasiklal Shah, Rasiklal Maganlal Shah and Sejal Atul Shah each subscribing to and holding ten (10) Equity Shares of face value ₹10/- each of our Company. On March 22, 2018, 700 Equity Shares of face value ₹10/- each of our Company were transferred to our Promoter by Avigo Trustee Company Private Limited (63 Equity Shares) and by Park Continental Private Limited (637 Equity Shares). Further, on March 29, 2018, 699,300 Preference Shares of ₹10/- each of our Company were transferred to our Promoter by Avigo Trustee Company Private Limited (62,937 Preference Shares of ₹10/- each) and Park Continental Private Limited (636,363 Preference Shares of ₹10/- each) and 700,000 Preference Shares of ₹200/- each were transferred to our Promoter by Avigo Trustee Company Private Limited (63,000 Preference Shares of ₹200/- each) and Park Continental Private Limited (637,000 Preference Shares of ₹200/- each). Subsequently on April 02, 2018, 14,373,408 Equity Shares of face value ₹10/- each were allotted to our Promoter upon conversion of 62,937 Preference Shares of ₹10/- each into 62,937 Equity Shares of face value ₹10/- each, conversion of 63,000 Preference Shares of ₹200/- each into 936,500 Equity Shares of face value ₹10/- each, upon conversion of 636,363 Preference Shares of ₹10/- each into 636,363 Equity Shares of face value ₹10/- and upon conversion of 637,000 Series 'A' Compulsorily Convertible Preference Shares of ₹200/- each into 12,737,608 Equity Shares.

As stated above, on April 02, 2018 SIL acquired controlling interest of our Company by virtue of their aggregate shareholding of 21,075,408 Equity Shares of face value ₹10/- each (presently 96,681,833 Equity Shares of face value ₹2/- each) constituting 92.18% of our pre – Offer issued, subscribed and paid-up equity share capital of our Company (presently constituting 84.57% of our pre – Offer issued, subscribed and paid-up equity share capital of our Company). Total consideration paid by SIL with respect to the abovementioned transfers and allotments is ₹204.97 million.

Experience of our Promoter in the business of our Company

Our Promoter and its management has adequate experience in the business activities undertaken by our Company.

Interest of our Promoter

Our Promoter is interested in our Company to the extent: (i) that it has promoted our Company; (ii) of it's shareholding in our Company and the dividend payable, if any, and other distributions in respect of the Equity Shares held by it. For further details, see "*Capital Structure*", "*Related Party Transactions*" and "*Financial Information*" on pages 84, 217 and 222 respectively.

Our Promoter is not interested in the properties acquired or proposed to be acquired by our Company in the three (03) years preceding the date of filing of the Prospectus. Our Promoter is not interested in any transaction in acquisition of land, construction of building or supply of machinery.

Our Promoter is not interested as a member of a firm or a company, and no sum has been paid or agreed to be paid to our Promoter or to such firm or company in cash or shares or otherwise by any person for services rendered by the Promoter or by such firm or company in connection with the promotion of our Company. Except as stated in "*Related Party Transactions*" on page 217 there has been no payment of any amount or benefit given to our Promoter or Promoter Group during the two (02) years preceding the date of filing of the Prospectus nor is there any intention to pay any amount or give any benefit to our Promoter or Promoter Group as on the date of filing of this Prospectus.

Other interests and disclosures

Our directors namely, Asad Daud, Harikant Ganeshlal Turgalia, Ramesh Chandra Soni, Partha Sarathi Sarkar and Arpit Khandelwal are directors on the board of Sat Industries Limited, therefore may be deemed to be interested to the extent of remuneration and/or reimbursement payable to them in the capacity of a director.

Our Promoter is not interested in any transaction in acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Following are the details of loans taken and given by our Promoter

(₹ million)

Particulars	Amount in
Opening Balance as at 1 April 2020	141.95
Additional Loan taken (principal portion)	-
Loan repaid (principal portion)	82.02
Interest outstanding as at 31 March 2021	0.85
Closing balance as at 31 March 2021	60.78

Additional Loan taken (principal portion)	-
Loan repaid (principal portion)	60.78
Closing balance as at 31 March 2022	-
Additional Loan taken (principal portion)	40.00
Loan repaid (principal portion)	40.00
Closing balance as at 31 March 2023	-

Litigations involving our Promoter

For details of legal and regulatory proceedings involving our Promoter, see *"Outstanding Litigation and Material Development"* in page 264.

Confirmations

Our Promoter has never been declared as a wilful defaulter or fraudulent borrower.

Our Promoter and entities forming part of our promoter group have not been debarred from accessing the capital market for any reasons by SEBI or any other regulatory or governmental authorities.

Our company has not taken or repaid loan from any of its promoter group entities for the last 3 years preceding the date of the RHP.

Guarantees

Except as mentioned in chapter titled *"Financial Indebtedness"* on page 226 of this Prospectus, our Promoter has not given any guarantees to third parties in respect of our Company's Equity Shares that are outstanding as of the date of filing of this Prospectus.

Details of companies/firms from which our Promoter has disassociated in the preceding three (03) years

Our Promoter pursuant to share purchase agreement dated September 26, 2022 executed between Genext Students Private Limited ("**Target Company**"), Navneet Tech Ventures Private Limited ("**Acquirer**") and existing shareholders ("**Sellers**"), sold 1,010,127 shares (18.79% of the shareholding of Target Company) to the Acquirer, thus disassociating itself from the Target Company.

Promoter Group

Details of our promoter group of our Company in terms of Regulations 2(1)(pp) of SEBI ICDR Regulations are provided below:

Our Company does not have any natural persons who are part of our Promoter Group.

Entities forming part of our Promoter Group (excluding our Subsidiary and our Promoter):

Sr. No	Name of entities forming part of our promoter group	Nature of Relationship of the Promoter Group entities with the Promoter
1.	Sat Invest Private Limited	By the virtue of Sat Invest Private Limited's shareholding of 44.95% of the total equity share capital of our Promoter.
2.	Sah Polymers Limited	By the virtue of Sat Industries Limited's shareholding of 55.50% of the total equity share capital of Sah Polymers Limited.
3.	Aeroflex Finance Private Limited	By the virtue of Aeroflex Finance Private Limited being the wholly owned subsidiary of our Promoter
4.	Italica Global FZC	By the virtue of our Promoter's shareholding of 100% of the total equity share capital in Italica Global FZC.

		(Asad Daud and Parag Shah ("Nominee Shareholder") holds 99.00% and 1.00%, respectively, on behalf of our Promoter.
5.	Fibcorp Polyweave Private Limited	By the virtue of Sah Polymer Limited's shareholding of 51.00% of the total equity share capital of Fibcorp Polyweave Private Limited.

The shareholding pattern of entities forming part of the promoter group for last three financial years is produced below:

1. Fibcorp Polyweave Private Limited

List of equity Shareholders as on March 31, 2021

S. No.	Name of the Shareholders	Number of equity shares held	Percentage of shareholding
1.	Murtaza Ali Moti	28,046	46.41
2.	Fatima Moti	4,500	7.45
3.	Sat Industries Limited	12,020	19.88
4.	Park Continental Private Limited	11,799	19.53
5.	Space Age Polymers LLP	4,065	6.73
	Total	**60,430**	**100**

List of equity Shareholders as on March 31, 2022

S. No.	Name of the Shareholders	Number of equity shares held	Percentage of shareholding
1.	Murtaza Ali Moti	28,046	42.22
2.	Fatima Moti	4,500	6.77
3.	Sah Polymers Limited	33,884	51.01
	Total	**66430**	**100**

List of equity Shareholders as on March 31, 2023

S. No.	Name of the Shareholders	Number of equity shares held	Percentage of shareholding
1.	Murtaza Ali Moti	28,046	42.22
2.	Fatima Moti	4,500	6.77
3.	Sah Polymers Limited	33,884	51.01
	Total	**66,430**	**100**

2. Sah Polymers Limited

List of Equity Shareholders of Sah Polymers Limited as on 31st March, 2021

S. No.	Name of shareholders	Number of Equity Shares held	Percentage of Shareholding
1.	Asad Daud*	1	Negligible
2.	Shahnaz Ali*	1	Negligible

3.	Harikant Turgalia*	1	Negligible
4.	Rangrao S Chinchulkar*	1	Negligible
5.	Nitin S Shinde*	1	Negligible
6..	Lalit K Bolia*	1	Negligible
7.	Mahipal Jain*	1	Negligible
8.	Sat Industries Limited	1,43,15993	91.79 %
9.	Sat Invest Private Limited	12,80,000	8.21 %
	Total	**1,55,96,000**	**100.00%**

** In their capacity as nominees on behalf of Sat Industries Limited*

List of Equity Shareholders of Sah Polymers Limited as on March 31, 2022

S. No.	Name of shareholders	No. of Equity Shares held	Percentage of Shareholding
1.	Asad Daud*	1	Negligible
2.	Shahnaz Ali*	1	Negligible
3.	Harikant Turgalia*	1	Negligible
4.	Rangrao S Chinchulkar*	1	Negligible
5.	Nitin S Shinde*	1	Negligible
6..	Lalit K Bolia*	1	Negligible
7.	Mahipal Jain*	1	Negligible
8.	Sat Industries Limited	1,43,15993	91.79 %
9.	Sat Invest Private Limited	12,80,000	8.21 %
	Total	**1,55,96,000**	**100.00%**

** In their capacity as nominees on behalf of Sat Industries Limited*

List of Equity Shareholders of Sah Polymers Limited as on 31st March, 2023

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
Promoter & Promoter Group	9	15,596,000	15,596,000	60.46	15,596,000	60.46	15,596,000
Public	11,014	10,200,000	10,200,000	39.54	10,200,000	39.54	10,200,000

Shares underlying DRs				0.00		0.00	
Shares held by Employee Trust				0.00		0.00	
Non Promoter-Non Public				0.00		0.00	
Grand Total	**11,023**	**25,796,000**	**25,796,000**	**100.00**	**25,796,000**	**100.00**	**25,796,000**

3. Aeroflex Finance Private Limited

List of Equity Shareholders of Aeroflex Finance Private Limited as on 31st March, 2021

S. No.	Name of the Shareholders	Number of equity shares held	Percentage of shareholding
1.	Sat Industries Limited	2,099,990	100.00
2.	Asad Daud^	10	0
	Total	**2,100,000**	**100**

^ *Mr. Asad Daud is holding shares as nominee of Sat Industries Limited.*

List of Equity Shareholders of Aeroflex Finance Private Limited as on 31st March, 2022

S. No.	Name of the Shareholders	Number of equity shares held	Percentage of shareholding
1.	Sat Industries Limited	2,099,990	100.00
2.	Asad Daud^	10	0
	Total	**2,100,000**	**100**

^ *Asad Daud is holding shares as nominee of Sat Industries Limited.*

List of Equity Shareholders of Aeroflex Finance Private Limited as on 31st March, 2023

S. No.	Name of the Shareholders	Number of equity shares held	Percentage of shareholding
1.	Sat Industries Limited	2,099,990	100.00
2.	Asad Daud^	10	0
	Total	**2,100,000**	**100**

^ *Asad Daud is holding shares as nominee of Sat Industries Limited.*

4. Sat Invest Private Limited

List of Equity Shareholders of Sat Invest Private Limited as on 31st March, 2021

S. No.	Name of the Shareholders	Number of equity shares held	Percentage of shareholding
1.	Dawood Investment Private Limited	357,000	19.97

2.	Shehnaz D. Ali	134,179	7.50
3.	Asad Daud	377,635	21.12
4.	Lion Houseware Private Limited	72,888	4.08
5.	Space Age Polymers Limited	716,347	40.07
6.	Park Continental Private Limited	64,000	3.58
7.	S.A. Global Trader LLC	65,869	3.68
	Total	**1,787,918**	

List of Equity Shareholders of Sat Invest Private Limited as on 31st March, 2022

S. No.	Name of the Shareholders	Number of equity shares held	Percentage of shareholding
1.	DA Tradetech Private Limited	357,000	19.97
2.	Shehnaz D. Ali	134,179	7.50
3.	Asad Daud	377,635	21.12
4.	Lion Houseware Private Limited	72,888	4.08
5.	Space Age Polymers Limited	716,347	40.07
6.	Park Continental Private Limited	64,000	3.58
7.	S.A. Global Trader LLC	65,869	3.68
	Total	**1,787,918**	

List of Equity Shareholders of Sat Invest Private Limited as on 31st March, 2023

S. No.	Name of the Shareholders	Number of equity shares held	Percentage of shareholding
1.	DA Tradetech Private Limited	357,000	19.97
2.	Shehnaz D. Ali	134,179	7.50
3.	Asad Daud	377,635	21.12
4.	Lion Houseware Private Limited	72,888	4.08
5.	Space Age Polymers Limited	716,347	40.07
6.	Park Continental Private Limited	64,000	3.58
7.	S.A. Global Trader LLC	65,869	3.68
	Total	**1,787,918**	

5. Italica Global FZC

Shareholding Pattern as on March 31, 2023, March 31, 2022 and March 31, 2021

S. No.	Name of the Shareholders	Number of equity shares held	Percentage of shareholding%
1.	Sat Industries Limited*	99	99.00
2.	*Parag Shah*	1	1.00
	Total	100	

**Asad Daud and Parag Shah ("Nominee Shareholder") holds 99.00% and 1.00%, respectively, on behalf of our Promoter.*

OUR GROUP COMPANY

As per the SEBI ICDR Regulations, the term 'group companies', shall include (a) such companies (other than promoters and subsidiaries) with which there were related party transactions (as covered under the applicable accounting standards (i.e., Ind AS 24 issued by the Institute of Chartered Accountants of India), during the period for which financial information is disclosed in the relevant Offer Document, and (b) any other companies as considered "material" by the Board pursuant to the materiality policy.

For the purposes of (b) above, our Board has approved in their meeting held on May 20, 2022 that for the purpose of disclosure in connection with the Offer, a company (other than our Promoter and Subsidiary) shall be considered material and be disclosed as a group company of our Company if our Company has entered into one or more transactions with such company during the latest Fiscal, which in value exceeds 10% of the total revenue of our Company for that financial year as per the Restated Financial Information of our Company. Pursuant to the aforesaid resolution, our Board has approved that other than companies (other than our Promoter and Subsidiary) with which there were related party transactions as disclosed in the Restated Financial Information, there are no group companies of our Company.

Based on the parameters outlined above, our Board has identified 'Italica Global FZC' (also forming part of our Promoter Group) as a group company as on the date of this Prospectus, the details of which are set forth below

Italica Global FZC

Details of our Group Company

a) *Business and Registered Office*

Our Group Company is engaged in the business of trading and import & export of stainless steel hose and products. It was Incorporated on December 22, 2016 .The registered office of Italica Global FZC is situated at P.O. Box 932, Emirate of Ajman, United Arab Emirates.

b) *Financial information*

The summary financial information derived from the financial statements of Italica Global FZC for Financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and as required by the SEBI ICDR Regulations, are available on www.aeroflexindia.com.

(*₹ in million*)

Particulars	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Equity Capital	3.40	3.40	3.40
Reserves and Surplus (excluding revaluation reserves)	221.84	160.29	133.81
Total Revenue	90.08	65.26	9.69
Profit (Loss) after Tax	38.24	16.08	6.61
Basic Earnings Per Share	20,668.43	8,693.51	3,575.68
Diluted Earnings Per Share	20,668.43	8,693.51	3,575.68
Net Worth	225.24	163.69	137.21
Net Asset Value per equity share	1,21,753.51	88,481.08	74,168.88

Nature and extent of interest of Group Company

a) In the promotion of our Company

As on date of this Prospectus, Italica Global FZC is not interested in the promotion of our Company.

b) In the properties acquired by our Company in the past three years before filing this Prospectus ***or proposed to be acquired by our Company***

Italica Global FZC is not interested in the properties acquired by our Company in the three (03) years preceding the date of filing of this Prospectus or proposed to be acquired by our Company.

c) In transactions for acquisition of land, construction of building and supply of machinery, etc.

Italica Global FZC is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among Italica Global FZC and our Company

Italica Global FZC is engaged in trading and import & export of stainless steel hose and products. However, they operate only in markets which are different from the markets we operate in. Accordingly, our Group Company is not involved in any kind of common pursuits with our Company as on date of this Prospectus

Related Business Transactions within our Group Company and significance on the financial performance of our Company

Other than the transactions such as, *inter alia*, purchase of goods, disclosed in "*Summary of this Prospectus – Summary of Related Party Transactions*" on page F-44, there are no other related business transactions of our Company with Italica Global FZC.

Litigations involving our Group Company

As on date of this Prospectus, there are no pending litigations involving our Group Company.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last three (03) Fiscals, as per the requirements under the relevant accounting standards and as reported in the Restated Consolidated Financial Information, see "*Restated Consolidated Financial Information – on Page F-44 on Notes to Financial Information - Note 41 – Related Party Transactions*" on page 222 of this Prospectus.

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DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares of face value ₹2/- each, if any, will be recommended by our Board and approved by the Shareholders of our Company, at their discretion, subject to the provisions of the Articles of Association and the applicable laws including the Companies Act, 2013 read with the rules notified thereunder, each as amended, together with the applicable rules issued thereunder.

The dividend, if any, will depend on a number of internal and external factors, including but not limited to profits earned or distributable surplus during the financial year, accumulated reserves including retained earnings, cash flows, debt repayment schedules, if any, and external factors including, but not limited to the macro-economic environment, regulatory changes and technological changes.

For details in relation to risks involved in this regard, please refer to "*Risk Factors - Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.*" on page 62 of this Prospectus. Our Board shall recommend or declare dividend as per the provisions of the Companies Act, 2013 and any other applicable laws. Interim dividend shall be paid on declaration of the same by our Board and the final dividend will be paid on the approval of shareholders at a general meeting. Our Company has adopted a formal policy on dividend declaration pursuant to resolution of board of directors dated March 30, 2023. In accordance with our dividend policy, our Board shall recommend and declare dividend as per the provisions of Companies Act, 2013. Interim dividend shall be paid on declaration of the same by our Board and the final dividend will be paid on the approval of shareholders at a general meeting.

The Board of Directors of the Company vide their resolution dated April 30, 2022 recommended the payment of dividend at the rate of ₹01/- per fully paid up Equity Share of ₹ 10/- each of the Company amounting to ₹22.86 million to the Shareholders of the Company. Shareholders of our Company vide their resolution dated September 03, 2022 declared @10% (₹1/- per fully paid up equity shares of face value ₹10/- each) on 2,28,64,074 equity shares of face value ₹10/- each for Fiscal March 31, 2022. Further, Shareholders of our Company vide their resolution dated July 08, 2023 passed at the 29th Annual General Meeting declared final dividend @ 10% (₹0.20 per fully paid-up equity share of face value of ₹2/- each) of 11,43,20,370 Equity Shares of face value ₹2/- each out of profits of the Company for Fiscal March 31, 2023. Apart from as disclosed in this Prospectus, we have not declared any dividends in the three Fiscals immediately preceding the filing of this Prospectus. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements that we may avail in the future.

While the Company endeavours to pay dividend within the range of 7% - 15% of the post tax profits as dividend to the shareholders of the Company in any financial year subject to sufficiency of stand-alone profits available for distribution of dividend in the relevant year and the said payout shall be subject to applicable taxes as per relevant regulations. However, the Board reserves the right to recommend a higher or a lower dividend based on the performance of that year and after taking into consideration other factors enumerated above.

STATEMENT OF TAX BENEFITS

Date: July 12th 2023

To,

The Board of Directors
Aeroflex Industries Limited
Plot No. 41,42/13,42/14 & 42/18 near Taloja MIDC,
Village Chal, Behind IGP, Panvel,
Navi Mumbai – 410 208, Maharashtra, India.

Dear Sir(s),

Sub: Proposed initial public offering of equity shares of ₹ 2/- each (the "Equity Shares") of Aeroflex Industries Limited (the "Company" and such offering, the "Issue").

We report that the enclosed statement in Annexure A, states the possible special tax benefits available to the Company and to its shareholders under the applicable tax laws presently in force in India including the Income Act, 1961 ('Act'), as amended by the Finance Act, 2022 and other direct tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the stated special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. 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 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. Neither are we suggesting nor advising the investor to invest money based on this statement.

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

a) the Company or its shareholders will continue to obtain these benefits in future; or
b) ii) the conditions prescribed for availing the benefits have been/would be met with.

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.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company. We shall not be liable to the Company for any claims, liabilities or expenses arising from facts and disclosure in statement of tax benefits determined to have resulted primarily from bad faith or intentional misrepresentation. We will not be liable to any other person in respect of this Statement

We hereby give consent to include this statement of tax benefits in the Draft Red Herring Prospectus ("**DRHP**"), Updated Draft Red Herring Prospectus ("**UDRHP**"), the Red Herring Prospectus ("**RHP**") and the Prospectus and submission of this certificate as may be necessary, to the Securities and Exchange Board of India ("**SEBI**"), the National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**") (collectively referred as "**Stock Exchanges**") where the Equity Shares are proposed to be listed and the Registrar of Companies, Mumbai at Maharashtra ("**RoC**") or any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law. This certificate may be relied upon by the Book Running Lead Manager and the legal counsel in relation to the Issue.

Terms capitalised and not defined herein shall have the same meaning as ascribed to them in the Issue Documents.

Yours sincerely,

For SHWETA JAIN & CO
CHARTERED ACCOUNTANTS
F.R.N. : 127673W

PRIYANKA JAJU
(Partner)
Membership No: 416197
Place:Thane
Date: 12th July 2023
UDIN No : 23416197BGWGHD8931

Cc: Pantomath Capital Advisors Private Limited
Pantomath Nucleus House,
Saki Vihar Road, Andheri (East),
Mumbai – 400072, Maharashtra, India
Cc: M/s. Crawford Bayley & Co.
State Bank Building, 4th Floor
NGN Vaidya Marg, Fort,
Mumbai – 400 023**.**

<u>ANNEXURE – A TO THE STATEMENT OF TAX BENEFITS</u>:

The information provided below sets out the possible special tax benefits available to the Company and its Shareholders under the applicable Direct and Indirect Tax Laws presently in force in India.

A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY:

The Issuer Company (Aeroflex Industries Limited) is not entitled to any special tax benefits under the Direct and Indirect Tax Laws, as presently applicable in India. .

B. SPECIAL TAX BENEFITS AVAILABLE TO SHAREHOLDERS OF THE COMPANY:

The Shareholders of the Issuer Company (Aeroflex Industries Limited) are not entitled to any special tax benefits under the Direct and Indirect Tax Laws, as presently applicable.

Note:

1. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law. The above statement of possible special tax benefits is as per the current direct tax laws. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.

2. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

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SECTION – V FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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INDEPENDENT AUDITORS' EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors,
AEROFLEX INDUSTRIES LIMITED
Plot No. 41,42/13,42/14 & 42/18 Near Taloja MIDC,
Village Chal, Behind IGP, Navi Mumbai
Panvel, Raigarh – 410208

Dear Sir's,

1. We have examined the attached Restated Consolidated Financial Information of Aeroflex Industries Limited (the "Company" or the "Holding Company" or the "Issuer"), its subsidiary company (collectively referred to as "the Group"), which comprising

a) the Restated Consolidated Balance Sheet as at 31st March, 2023, 31st March, 2022 & 31st March, 2021,

b) the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the years ended 31st March, 2023, 31st March, 2022 & 31st March, 2021,

c) the Restated Consolidated Statement of Changes in Equity for the years ended 31st March, 2023, 31st March, 2022 & 31st March, 2021.

d) The Restated Consolidated Statement of Cash Flows for the years ended 31st March, 2023, 31st March, 2022 & 31st March, 2021 and

e) the Summary of Significant Accounting Policies and other explanatory information (collectively, the 'Restated Consolidated Financial Information') for the years ended 31st March, 2023, 31st March, 2022 & 31st March, 2021 (hereinafter together referred to as the "Restated Consolidated Financial Information") as approved by the Board of Directors of the Company at their meeting held on **12th July 2023** for the purpose of inclusion in the Updated Draft Red Herring Prospectus ("UDRHP"), Red Herring Prospectus ("RHP") and prospectus to be prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

a.) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

b.) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time in pursuance of provision of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and

c.) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Updated Draft Red Herring Prospectus ("UDRHP"), Red Herring Prospectus ("RHP") and prospectus to be filed with Securities and Exchange Board of India ("SEBI"), the stock exchanges where the equity shares of the Company are proposed to be listed ("Stock Exchanges") and the Registrar of Companies, Mumbai, situated at Mumbai ("ROC"), in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company as per the basis of preparation stated in notes to the Restated Consolidated Financial Information.

   The Board of directors of the Company and respective Board of Directors of the companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information and the Restated Consolidated Financial Information. The Board of directors of the Company and the respective Board of Directors of the companies are also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration that:

a) The terms of reference and terms of our engagement agreed upon with you in accordance with engagement letter dated 18th March 2023 in connection with the proposed IPO of equity shares of the Company; and

b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

c) Our work has been carried out considering the concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information in accordance with the guidance Note; and

d) The requirements of Section 26 of the Act and the ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

4. These Restated Consolidated Financial Information have been prepared by the management from:

   The Audited consolidated financial statements of the Group as at and for the year ended 31st March 2023, 31st March, 2022 and 31st March 2021 which has been prepared in accordance with Ind AS as prescribed under Section 133 of the Act and other accounting principles generally accepted in India (the "consolidated financial statements"), which have been approved by the Board of Directors at their Board meetings held on 15th May 2023, 30th April, 2022 and 28th May 2021 respectively.

5. For the purpose of our examination, we have relied on Auditors' reports dated 15th May, 2023, 30th April, 2022 and 28th May 2021 on the consolidated financial statements of the Group as at and for the year ended 31st March, 2023, 31st March, 2022 and 31st March, 2021 respectively, as referred in paragraph 4 above.

   The financial statements for the year ended 31st March, 2023 and for the year ended 31st March 2022 have been audited by us where as the financial statement as at 31st March 2021 has been audited by other auditors whose reports have been furnished to us by the Company's management and our opinions for the relevant years on the consolidated financial statements, in so far as they relate to the amounts and disclosures included in respect of the company for the relevant years, are based solely on the reports of such other auditors. Our respective opinion on the consolidated financial statements is not modified in respect of the above matter.

6. We did not audit the financial statements of subsidiary – Aeroflex Industries Ltd UK, whose financial statements reflect total assets (before consolidation adjustments), total revenues (before consolidation adjustments) and net cash flows included in the Restated Consolidated Financial Information for each of those years is tabulated below:

(₹ in Millions)

PARTICULARS	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
Total Assets	0.81	0.18	0.25
Total Revenues	0.82	0.05	0.45

The financial statement of the subsidiary for the year ended 31st March 2023, 31/03/2022 and 31st March 2021 has been audited by other auditors whose reports have been furnished to us by the Company's management, and our opinions for the relevant years on the consolidated financial statements, in so far as they relate to the amounts and disclosures included in respect of such subsidiary for the relevant years, are based solely on the reports of such other auditors. Our respective opinion on the restated consolidated financial statements is not modified in respect of the above matter.

7. Based on the above and according to the information and explanations given to us and also as per reliance placed on the reports of other auditors for the respective years as mentioned in paragraph 5 and 6 above, we further report that the Restated Consolidated Financial Information:

   a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended at 31st March, 2023, 31st March, 2022, and 31 March 2021 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the year ended at 31st March, 2023.

   b) does not contain any qualifications requiring adjustments; and

c) has been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is addressed to and is provided to enable the Board of Directors for inclusion of this report in the Updated Draft Red Herring Prospectus ("UDRHP"), Red Herring Prospectus ("RHP") and prospectus to be filed by the company with SEBI, Stock exchanges and ROC in connection with the proposed Initial Public Offering of the equity shares of the company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

FOR SHWETA JAIN & CO.
CHARTERED ACCOUNTANTS
F.R.N. : 127673W

PRIYANKA JAJU
(**Partner**)
Membership No. : 416197
Place : Thane
Date : 12th July 2023
UDIN No : 23416197BGWGGY7637

Aeroflex Industries Limited
(Restated Consolidated Financial Statement as at …..)

All Amount in INR Million, Unless otherwise stated

	Particulars	Note	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
	ASSETS				
(1)	**Non-current assets**				
	Property, Plant and Equipment and Intangible Assets				
	(a) Property, Plant and Equipment	5	555.43	458.19	430.20
	(b) Capital work -in- Progress		6.43	63.50	-
	(c) Other Intangible Assets		7.74	2.93	2.42
	(d) Intangible assets under development		-	2.61	2.61
	(e) Financial Assets				
	(i) Investments and Loans				
	(ii) Trade receivables		-	-	-
	(iii) Loans				
	(ii) Others	6	-	0.07	2.90
	(f) Deferred Tax Assets (Net)	7	-	-	9.71
	(g) Other non-current Assets	8	25.78	17.44	14.21
	Total non-current Assets		**595.38**	**544.74**	**462.06**
(2)	**Current assets**				
	(a) Inventories	9	560.07	358.22	343.20
	(b) Financial Assets				
	(i) Trade receivables	10	669.70	526.12	337.80
	(ii) Cash and cash equivalents	11	61.32	82.05	34.77
	(iii) Bank balances other than (ii) above	12	1.21	1.23	1.15
	(iv) Others	13	6.13	4.57	4.27
	(c) Current Tax Assets (Net)	14	-	-	0.43
	(d) Other current assets	15	245.96	317.44	432.75
	Total Current Assets		**1,544.39**	**1,289.64**	**1,154.37**
	Total Assets		**2,139.77**	**1,834.38**	**1,616.43**
	EQUITY				
	(a) Equity Share Capital	16	228.64	228.64	228.64
	(b) Other Equity	17	912.29	633.59	358.53
			1,140.93	**862.23**	**587.17**
	LIABILITIES				
(1)	Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	18	196.86	209.86	352.80
	(ii) Other financial liabilitie:				
	(b) Provisions		-	-	-
	(c) Deferred tax liabilities (Net)	7	2.80	0.58	-
	(d) Other non-current liabilities	19	9.86	9.31	9.47
	Total Non-current Liabilities		**209.52**	**219.76**	**362.27**
(2)	**Current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	20	253.20	181.41	177.88
	(ii) Trade payables :				
	(A)Total outstanding dues of micro enterprises and small enterprises	21	88.31	0.87	5.55
	(B)Total outstanding dues of creditors other than micro enterprises and small enterprises		278.00	340.98	397.81
	(iii) Other financial liabilities(other than those specified in item(c)				
	(b) Other current liabilities	22	109.11	153.71	85.74
	(c) Current Tax Liabilities (Net)	23	60.72	75.42	-
	Total Current Liabilities		**789.32**	**752.39**	**666.99**
	Total Equity and Liabilities		**2,139.77**	**1,834.38**	**1,616.43**

The above statement should be read with Statement of Notes to the Restated Consolidated Financial Statement (Note No 1 to 46)

As per our report of even date attached
For Shweta Jain & Co
Chartered Accountants
F.R.N. : 127673W

For and on behalf of the Board of Directors

PRIYANKA JAJU
(Partner)
Membership No : 416197
Place : Thane
Date : 12th July 2023
UDIN No : 23416197BGWGGY7637

Asad Daud
Managing Director
(DIN-02491539)

Mustafa A Kachwala
WTD & CFO
(DIN-03124453)

Kinjal Shah
Company Secretary
(M.No : A58678)

Aeroflex Industries Limited

Restated Consolidated Statement of Profit And Loss for the year ended | **All Amount in INR Million, Unless otherwise stated**

	Particulars	Note No.	31.03.2023	31.03.2022	31.03.2021
	INCOME :				
I	Revenue from operations	24	2,694.61	2,408.00	1,447.74
II	Other income	25	0.17	1.92	0.61
III	**Total Income (I+II)**		**2,694.78**	**2,409.92**	**1,448.35**
IV.	**Expenses :**				
	Cost of Materials consumed	26	1,878.47	1,563.30	944.82
	Changes in inventories of finished goods	27	(177.84)	(2.68)	(9.24)
	Employee benefits expense	28	231.51	175.20	131.40
	Finance costs	29	45.50	62.51	89.40
	Depreciation and amortization expense	30	52.19	41.84	37.78
	Other expenses	31	222.13	205.26	157.41
	Total expenses		**2,251.98**	**2,045.43**	**1,351.56**
V.	**Profit before exceptional items and tax(III-IV)**		**442.81**	**364.48**	**96.78**
VI.	Exceptional items	32	(30.72)	4.14	(16.30)
VII	**Profit/(loss) before tax (V-VI)**		412.08	368.62	80.49
VIII	Tax expense :				
	(1) Current tax		101.85	83.30	-
	(2) Short/ (Excess) Provision for Earlier Years	33	6.49	(0.03)	-
	(2) Deferred tax		2.22	10.29	20.38
	Total Tax Expense		110.56	93.57	20.38
IX	**Profit(loss)for the period from continuing operation (VII-VIII)**		**301.52**	**275.06**	**60.11**
X	Profit/(Loss) from discontinued operations.			-	-
XI	Tax expense of discontinued operations			-	-
XII	Profit/(loss) from discontinued operation (X-XI)			-	-
XIII	**Profit(loss) for the period (IX+XII)**		**301.52**	**275.06**	**60.11**
XIV	Other Comprehensive Income				
	A(i) Item that will not be reclassified to profit or loss				
	(ii) Income tax relating to item that will not be reclassified to profit or loss				
	B(i) Item that will be reclassified to profit or loss				
	(a) Exchange differences on translation of financial statements of foreign operations		0.04	0.01	0.03
XV	(ii) Income tax relating to item that will be reclassified to profit or loss				
XVI	**Total Comprehensive Income for the period (XIII+XIV) (Comprising profit (loss) and other Comprehensive Income for the period)**		**301.57**	**275.06**	**60.14**
XVII	Earnings per equity share:(for continued Operation):				
	(1) Basic	34	2.64	2.41	0.53
	(2) Diluted		2.64	2.41	0.53
XVII	Earnings per equity share:(for discontinued Operation):				
	(1) Basic		-	-	-
	(2) Diluted		-	-	-
XVIII	Earnings per equity share:(for discontinued & continuing operations)				
	(1) Basic	34	2.64	2.41	0.53
	(2) Diluted		2.64	2.41	0.53

The above statement should be read with Statement of Notes to the Restated Consolidated Financial Statement (Note No 1 to 45)

As per our report of even date attached

For Shweta Jain & Co
Chartered Accountants
F.R.N. : 127673W

PRIYANKA JAJU
(Partner)
Membership No : 416197
Place : Thane
Date : 12th July 2023
UDIN No : 23416197BGWGGY7637

For and on behalf of the Board of Directors

Asad Daud
Managing Director
(DIN-02491539)

Mustafa A Kachwala
WTD & CFO
(DIN-03124453)

Kinjal Shah
Company Secretary
(M.No : A58678)

Aeroflex Industries Limited
Restated Consolidated Statement of Cash Flows for the year ended…

All Amount in INR Million, Unless otherwise stated

Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2021
A	**Cash Flow from Operating Activities**			
	Net Profit before tax	412.08	368.62	80.49
	Adjustments for:			
	Other Comprehensive income/(loss)	0.04	0.01	0.03
	Depreciation	52.19	41.84	37.78
	less: Tax Expenses	108.34	83.27	-
	Operating Profit before working capital changes	**355.98**	**327.20**	**118.30**
	Adjustment for Changes in Working Capital:			
	(Increase)/Decrease in Non Current Trade Receivables	-	-	-
	(Increase)/Decrease in Non Current Other Financial Assets	0.07	2.83	2.87
	(Increase)/Decrease in Other Non Current Assets	(8.34)	(3.22)	(3.18)
	(Increase)/Decrease in Change in Inventories	(201.85)	(15.02)	(25.67)
	(Increase)/Decrease in Current Trade Receivables	(143.58)	(188.32)	(42.03)
	(Increase)/Decrease in Current Other Financial Assets	(1.57)	(0.29)	(0.42)
	(Increase)/Decrease in Current Tax Assets	-	0.43	(0.19)
	(Increase)/Decrease in Other Current Assets	71.48	115.31	(17.04)
	Increase/(Decrease) in Non Current Trade Payables			
	Increase/(Decrease) in Current Trade Payables	24.46	(61.52)	65.85
	Increase/(Decrease) in Other Current Liabilities	(44.61)	67.97	22.06
	Increase/(Decrease) in Other Non Current Liabilities	0.55	(0.16)	0.34
	Increase/(Decrease) in Current Tax Liabilities	(14.70)	75.42	-
	Net Cash Inflow /(Out Flow) from Operation (A)	**37.89**	**320.63**	**120.88**
B	**Cash Flow from Investing Activities:**			
	Deduction/(Addition) to Fixed Assets	(94.56)	(133.85)	(29.09)
	Net Cash Inflow/(Outflow) from investing Activities (B)	**(94.56)**	**(133.85)**	**(29.09)**
C	**Cash flow from Financing Activities**			
	Proceeds from Long term borrowings	(13.00)	(142.94)	(22.98)
	Proceeds from Short term borrowings	71.79	3.52	(80.89)
	less: Dividend Paid	(22.86)	-	-
	Net Cash Inflow /(Out Flow) from Financing Activities (C)	**35.92**	**(139.41)**	**(103.87)**
	Net Increase/Decrease in cash & Cash equivalents (A+B+C)	**(20.76)**	**47.37**	**(12.08)**
	CASH AND CASH EQUIVALENTS			
	As at the beginning of the year (Refer Note 11& 12)	**83.29**	**35.92**	**48.00**
	As at the end of the year (Refer Note 11 &12)	**62.53**	**83.29**	**35.92**
	Net Increase/Decrease in cash & Cash equivalents	**(20.76)**	**47.37**	**(12.08)**

Notes :

1 The Restated Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7, Statement of Cash Flows

2 The above statement should be read with Statement of Notes to the Restated Consolidated Financial Statement (Note No 1 to 46)

As per our report of even date attached
For Shweta Jain & Co
Chartered Accountants
F.R.N. : 127673W

For and on behalf of the Board of Directors

Asad Daud	Mustafa A Kachwala	Kinjal Shah
Managing Director	WTD & CFO	Company Secretary
(DIN-02491539)	(DIN-03124453)	(M.No : A58678)

PRIYANKA JAJU
(Partner)
Membership No : 416197
Place : Thane
Date : 12th July 2023
UDIN No : 23416197BGWGGY7637

NOTE 1: CORPORATE INFORMATION:

AEROFLEX INDUSTRIES LIMITED (the holding company) is a public limited company domiciled in India and incorporated under the provision of Companies Act, 2013. The Company's registered office is at Plot No. 41,42/13,42/14 & 42/18 Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai, Raigarh - 410208. The company is engaged in manufacturing of stainless steel, flexible hose with braiding and without braiding and assemblies.

The restated financial information comprises of the financial statement of Aeroflex Industries Limited ('the company' or 'the holding company') and its 100% foreign subsidiary company named Aeroflex Industries Ltd (the subsidiary company) having registration No 12002556 has the registered office situated at 71-75, Shelton Street, Covent Garden London, WC2H 9JQ United Kingdom. The holding company along with its subsidiary company is collectively hereinafter referred as "Group". The Group as a whole is the subsidiary company of Sat Industries Limited, a listed company incorporated in India, which holds 92.18% of the equity shares of the holding company.

NOTE 2 : SIGNIFICANT ACOUNTING POLICIES

Significant accounting policies adopted by the Group are as under:

2.1 Basis of Preparation of Financial Statements:

a) Statement of Compliance with Ind AS :

These financial statements have been prepared in accordance with Indian Accounting Standards (referred as Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, as amended from time to time. The financial statements have been prepared in accordance with the relevant presentation requirement of the companies Act, 2013.

b) Basis of Preparation :

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis, except for certain financial assets and liabilities that are measured at fair value at the end of each reporting period as explained in the accounting policies. Historical cost is generally based on the fair value of the considerations given in exchange for goods and services. Fair value is the price that would be received to sale an assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The financial statements are presented in Indian Rupee (INR), which is the functional currency of the holding company. The functional currency of the foreign subsidiary is the currency of the primary economic environment in which the entity operates. The recorded foreign currency transactions of the foreign subsidiary, which are forming part of its profit & loss account has be translated at the average exchange rate for the year. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gain and loss arising prevailing on the settlement and restatement are recognized in the profit & loss account. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies and are not been retranslated. The significant accounting policies used in preparation of the financial statement are discussed in the respective notes. All amounts disclosed in financial statements and notes have been rounded off to the INR in Millions with two decimal, unless otherwise stated.

c) Current or Non-current classification

All assets and liabilities has been classified as current and noncurrent as per the group's normal operating cycle. An asset is classified as current when it is:

i) Expected to be realized or intended to be sold or consumed in normal operating cycle.
ii) Expected to be realized within twelve months after the reporting period. Or
iii) 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 the other assets are classified as non-current.

A liability is classified current when

i) It is expected to be settled in normal operating cycle;
ii) It is due to be settled within twelve months after the reporting period; or
iii) 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 respectively.

d) Use of estimates and judgements:

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis Revisions to accounting estimates, are recognized 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 periods if the revision affects both current and future periods.

Basis of Consolidation:
The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Assets and liabilities with the functional currency other than the functional currency of the holding company have been translated using the exchange rates prevailing on the date of the balance sheet. Statement of the profit and loss account of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of Profit & Loss under other comprehensive income /losses. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Property, plant and equipment and Other intangible assets:

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Recognition and measurement:
Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is

directly attributable to the acquisition of the Property, plant and equipment until it is ready for use, as intended by the management. 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 derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as advances under other current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work- in- progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Depreciation methods and estimated useful lives:

Depreciation is provided by the holding company (other than Free hold Land and capital work-in-progress) on Written Down Value (WDV) method for the estimated useful life of assets. The estimated useful lives of assets are as follows:

Type of Assets	Period of useful life of Assets
Factory Building	30 Years
Addition to factory Building for the year	10 Years
Server and Networks	6 Years
Plant & Machinery	25 Years
Computer	3 Years
Vehicles	6 Years
Workshop Tools & Equipment	8 Years
Testing Equipment	5 Years
Office Equipment	5 Years
Electrical Installation	5 Years
Furniture & Fixtures	10 Years

Fixed Assets purchased for specific projects will be depreciated over the periods of the project or the useful life stated as above, whichever is shorter.

Depreciation on assets acquired, purchased, sold or discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement.

The economic useful life of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

Impairment :

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in preceding years.

3.2 Other Intangible Assets :

Intangible assets which are forming part of the holding company balance sheet are stated at acquisition cost, net of accumulated amortization. The Company amortized intangible assets over their estimated useful lives using the Written Down method. The estimated useful lives of intangible assets are as follows:

Computer Software	6 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year ended.

3.3 Investments :

The Group do not have any categorized investment other than the investment by the holding company in its foreign subsidiary which has been shown at the historical cost in the books of holding company and the same has been nullified on consolidation of the Balance sheets.

3.4 Foreign Currency Transactions:

a) Functional and presentation currency :

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR) in Lakhs, which is the holding Company's functional and presentation currency.

b) Transactions and balances :

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount at the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognized in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognized in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Foreign exchange fluctuation for the outstanding amount towards the imported capital goods, has been attributed to the cost of the fixed assets. Further the foreign exchange fluctuation for the outstanding amount of the foreign currency term loan has been shown separately under the exceptional item in the profit & loss account consistently.

3.5 Revenue Recognition :

The Group recognizes revenue from contracts with customers based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable. Revenue from the sale of goods in the course of ordinary activities is recognized at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The goods are considered as 'transferred' when the customer obtains control of those goods or as per the specific terms with customers for the supplies made by the company.

Sale of services & Other Operating Revenue :

Revenue from services are recognized in the accounting year in which service are rendered. For fixed price contracts, revenue is recognized based on actual services provided to the end of the reporting period as a proportion of the total services to be provided. As the company has material export & import activates therefore Profit and gains from the foreign exchange fluctuation from the receipts & payments of debtors & creditors and on their restatement at the year ended is forming part of the other operating revenue of the group.

Other Income :

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably in the group. Interest income is accrued on a time basis, by reference to the principal outstanding and at the normal interest rate as applicable. Other Income in the group has been recorded where no significant uncertainty as to measurability or collectability exists.

3.6 Taxation :

The group has two major tax jurisdictions, which is in India and the United Kingdom and the group Companies file tax returns in India and other overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. In assessing the realizability of deferred income tax assets, the

Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the year in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred tax assets & liabilities are considered realizable based on the income earned and the future sustainability of the business and their certainty there off. Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in Other Comprehensive Income.

Current Tax :

The current Tax payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using the tax rates that have been enacted or substantially enacted by the end of the reporting period.

Provisions for current income taxes are presented in the balance sheet after offsetting advance tax & TDS paid. The holding company has adopted the Taxation bracket where in the MAT liability do not attract to the company and has done the provisions accordingly where as for the subsidiary company the rules of the overseas country are adopted.

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 statements. 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 realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses 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. The Company has identified deferred tax for the depreciation difference and carry forward loss as applicable in respective year. The company has made payments for gratuity amount on yearly basis towards the gratuity fund with LIC as per the actuarial valuation of the gratuity made by the corporation for the gratuity liability and the same is considered as expenditure of the company on yearly basis therefore no deferred Tax working has been made for the same.

Current tax and deferred tax :

Current and deferred tax are recognized by the group in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in that case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. No deferred tax provisions have been made for the undistributed gains or losses of the subsidiary company.

3.7 Business Combinations:

The group account for its business combinations under acquisition method of accounting. The holding company has acquired equity in its foreign subsidiary directly on its incorporation therefore no other cost or valuation for the same required on acquisition. The additional equity investment made by the holding company in the equity of the subsidiary company during the year has been made at par and also such Business combination arising on transfer of the interest in the entities that are under common control and has accounted at historical cost.

3.8 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Interest income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. All other borrowing costs are recognized in profit or loss in the year in which they are incurred.

3.9 Provisions :

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

When some or all of the economic benefits required to settle, provisions are expected to be recovered from a third party, a receivable is recognized as an asset it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.10 Contingent liabilities and contingent assets :

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not accounted in the financial statements unless an inflow of economic benefits is probable.

3.11 Financial instruments:

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

FINANCIAL ASSETS :

Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or
b) at fair value through other comprehensive income; or
c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. These include trade receivables, loans, deposits, balances with banks, and other financial assets with fixed or determinable payments.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Impairment :
The group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, other contractual right to receive cash or other financial assets not designated at fair value through profit or loss. The loss allowance for a financial instrument is equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increase significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within 12 months after the reporting date.

For trade receivables or any contractual right to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. The Company has used a practical expedient permitted by Ind AS 109 and determines the expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

De-recognition :
The group derecognizes financial asset when the contractual right to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income, if any, is recognized in the Statement of Profit or Loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of the financial asset.

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 amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Classification
Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into 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 group are recognized at the proceeds received.

Subsequent measurement
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 recognized in the Statement of Profit and Loss.

Financial liabilities (that are not held for trading or not designated at fair value through profit or loss) are measured at amortized cost at the end of subsequent accounting year. The carrying amounts of financial liabilities that are subsequently measured at amortized cost, are determined based in the effective interest method.

Effective interest method is a method of calculating amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. Interest expenses of these financial liabilities are included in finance cost. Expenditure incurred for management of the finance of the company are forming part of the finance cost.

Foreign exchange gains and losses for assets & liabilities :

Financial Assets and liabilities denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in the Statement of Profit or Loss.

The fair value of financial Assets and liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial Assets and liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in the Statement of Profit and Loss except in case of the amount outstanding to creditors towards the fixed assets purchased in earlier years and amount is outstanding payable, in that case every year the difference in the exchange fluctuation has been adjusted towards the cost of the fixed assets so purchased and has uniformly followed the practice.

De-recognition :

Financial assets liabilities are derecognized when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial assets and liability and recognition of a new financial assets and liability. Similarly, a substantial modification of the terms of an existing financial assets and liability is accounted for as an extinguishment of the original financial assets and liability and the recognition of a new financial assets and liability. The difference between the carrying amount of a financial asset and liability is derecognized and the consideration paid or payable is recognized in the Statement of Profit or Loss.

3.12 Employee Benefits :
Short-term Employee Benefits:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Post-employment benefits

a) **Defined contribution plans**
Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. Payments to defined contribution retirement plans are recognized as expenses when the employees have rendered the service entitling them to the contribution
Provident fund: The employees of the holding Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are made to the provident fund and pension fund administered by the Regional Provident Fund Commissioner. The Company recognizes such contributions as an expense when incurred.

b) **Defined benefit plans**
The defined benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Gratuity: The holding Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company has made payments for the annual applicable gratuity liability to LIC gratuity Scheme where the gratuity liability will be paid to the employees by LIC when the same is due to pay. The liability for the defined gratuity benefit plan is provided on the basis of actuarial valuation carried out by Life Insurance corporation of India and the due payment is made on yearly basis to LIC towards the fund.

3.13 Inventories :

Inventories are valued at after reviewing the cost and net realizable value considering the various other related parameters and uniformity of the valuation.
Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packaging materials and stores and spare parts are valued at after reviewing the cost and net realizable value considering the various other related parameters and uniformity of the valuation. Cost includes purchase price, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at cost of production till the date work completed. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.

3.14 Cash and cash equivalents:

Cash and cash equivalents comprise cash in hand and short-term deposits with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.15 Earnings Per Share :

The group reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares (except where the results are anti-dilutive).

NOTE 4. Significant accounting judgments, estimates and assumptions :

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and 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.

The key assumptions concerning the future and other key sources of estimation uncertainty at the year ended, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Impairment of property, plant and equipment :
Determining whether property, plant and equipment is impaired requires an estimation of the value in use of the cash-generating unit. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. When the actual future cash flows are less than expected, a material impairment loss may arise. property, plant and equipment which are out dated or not in use are impaired and shown at the net releasable value and difference to the written down value and net releasable value is transferred to profit & loss account for the year.

b) Useful life of property, plant and equipment :
The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting year.

c) Provision for litigations and contingencies:
The provision for litigations and contingencies is determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount. Due to the judgements involved in such estimations the provisions are sensitive to the actual outcome in future periods.

d) Recognition of Deferred Tax Assets :
The extent to which deferred tax assets can be recognized is based on an assessment of the profitability of the Group Company’s future taxable income against which the deferred tax assets can be utilized. The holding Company has identified and has also recognized deferred tax for the Depreciation difference. Groups other entity provisions has been adjusted from their standalone financials and the net effect of the same has been taken in Balance Sheet.

NOTE NO. - 5 PROPERTY ,PLANT AND

All Amt in INR million, unless otherwise stated

Particulars	Freehold Land	Freehold Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Computer	Workshop Tool & Equipment's	Total
Year ended March 31,2023									
GROSS CARRYING AMOUNT									
Opening Gross Carrying Amount	162.14	239.67	538.28	35.62	6.13	81.70	19.10	34.90	1,117.54
Exchange Difference	-	-	0.54	-	-	-	-	-	0.54
Additions	-	3.28	133.34	2.14	-	3.02	3.89	1.23	146.90
Assets include in a disposal group for sale	-	-	-	-	-	-	-	-	-
Disposals/Adjustment	-	-	-	-	-	(0.30)	-	-	(0.30)
Closing Gross Carrying Amount	162.14	242.95	672.17	37.76	6.13	84.42	22.99	36.13	1,264.68
ACCUMULATED DEPRECIATION									
Opening Accumulated Depreciation	-	165.34	355.63	29.27	2.20	73.04	15.56	18.31	659.35
Depreciation charged during the year	-	8.60	26.39	1.49	1.55	3.54	3.04	5.29	49.90
Assets include in a disposal group for sale	-	-	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	173.94	382.01	30.76	3.74	76.58	18.61	23.60	709.25
Net Carrying Amount	**162.14**	**69.01**	**290.15**	**7.00**	**2.39**	**7.84**	**4.38**	**12.53**	**555.43**
Year ended March 31,2022									
GROSS CARRYING AMOUNT									
Opening Gross Carrying Amount	162.14	231.66	496.91	33.50	3.21	76.54	15.90	28.93	1,048.79
Exchange Difference	-	-	-	-	-	-	-	-	-
Additions	-	8.01	41.37	2.12	2.92	5.23	3.24	5.97	68.85
Assets include in a disposal group for sale	-	-	-	-	-	-	-	-	-
Disposals/Adjustment	-	-	-	-	-	(0.07)	(0.04)	-	(0.11)
Closing Gross Carrying Amount	162.14	239.67	538.28	35.62	6.13	81.70	19.10	34.90	1,117.54
ACCUMULATED DEPRECIATION									
Opening Accumulated Depreciation	-	157.35	336.22	28.14	0.28	70.06	13.82	12.73	618.59
Depreciation charged during the year	-	7.99	19.27	1.12	1.92	3.05	1.78	5.58	40.71
Assets include in a disposal group for sale	-	-	-	-	-	-	-	-	-
Exchange Difference	-	-	0.14	-	-	-	-	-	0.14
Disposals/Adjustments	-	-	-	-	-	(0.06)	(0.04)	-	(0.10)
Closing Accumulated Depreciation	-	165.34	355.63	29.27	2.20	73.04	15.56	18.31	659.35
Net Carrying Amount	**162.14**	**74.33**	**182.66**	**6.35**	**3.93**	**8.66**	**3.54**	**16.59**	**458.19**
Year ended March 31,2021									
GROSS CARRYING AMOUNT									
Opening Gross Carrying Amount	162.14	231.66	484.48	31.60	0.34	74.07	14.64	25.21	1,024.14
Exchange Difference	-	-	-	-	-	-	-	-	-
Additions	-	-	12.43	1.90	2.87	2.47	1.26	3.71	24.65
Assets include in a disposal group for sale	-	-	-	-	-	-	-	-	-
Disposals/Adjustment	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	162.14	231.66	496.91	33.50	3.21	76.54	15.90	28.93	1,048.79
ACCUMULATED DEPRECIATION									-
Opening Accumulated Depreciation	-	149.27	318.20	26.95	0.23	67.69	13.18	6.48	582.00
Depreciation charged during the year	-	8.09	18.33	1.19	0.04	2.37	0.64	6.25	36.91
Assets include in a disposal group for sale	-	-	-	-	-	-	-	-	-
Exchange Difference	-	-	(0.32)	-	-	-	-	-	(0.32)
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	157.35	336.22	28.14	0.28	70.06	13.82	12.73	618.59
Net Carrying Amount	**162.14**	**74.31**	**160.69**	**5.36**	**2.94**	**6.48**	**2.08**	**16.20**	**430.20**

Note :
1. No Revaluation of the Property, Plant and Equipment is done by the company

Capital Work in Progress - Tangible Assets

All Amt in INR Million, Unless otherwise Stated

Particulars	Total
Balance as of 1st April, 2020	**-**
Addition during the year	-
Transferred to property plant and equipment	-
Balance as of March 31, 2021	**-**
Addition during the year	**63.50**
Transferred to property plant and equipment	-
Balance as of March 31, 2022	**63.50**
Addition during the year	-
Transferred to property plant and equipment	**57.08**
Balance as of March 31, 2023	**6.43**

NOTE NO. - 5 INTANGIBLE ASSETS

All Amt in INR Million, Unless otherwise Stated

Particulars	Owned Assets	Owned Assets	
	Software	Intengible Asset Under Doveloupment	Total
Year ended March 31,2023			
GROSS CARRYING AMOUNT			
Opening Gross Carrying Amount	8.14	2.61	10.75
Additions	7.11	-	7.11
Disposals/Adjustment		2.61	(2.61)
Closing Gross Carrying Amount	15.25	-	15.25
ACCUMULATED DEPRECIATION			
Opening Accumulated Depreciation	5.21	-	5.21
Depreciation charged during the year	2.29	-	2.29
Disposals/Adjustments			
Closing Accumulated Depreciation	7.50	-	7.50
Net Carrying Amount	**7.75**	**-**	**7.75**
Year ended March 31,2022			
GROSS CARRYING AMOUNT			
Opening Gross Carrying Amount	6.49	2.61	9.11
Additions	1.65	-	1.65
Disposals/Adjustment	-	-	-
Closing Gross Carrying Amount	8.14	2.61	10.75
ACCUMULATED DEPRECIATION			
Opening Accumulated Depreciation	4.08	-	4.08
Depreciation charged during the year	1.13	-	1.13
Disposals/Adjustments	-	-	-
Closing Accumulated Depreciation	5.21	-	5.21
Net Carrying Amount	**2.93**	**2.61**	**5.54**
Year ended March 31,2021			
GROSS CARRYING AMOUNT			
Opening Gross Carrying Amount	4.99	-	4.99
Additions	1.51	2.61	4.12
Disposals/Adjustment	-	-	-
Closing Gross Carrying Amount	6.49	2.61	9.11
ACCUMULATED DEPRECIATION			
Opening Accumulated Depreciation	3.20	-	3.20
Depreciation charged during the year	0.87	-	0.87
Disposals/Adjustments	-	-	-
Closing Accumulated Depreciation	4.08	-	4.08
Net Carrying Amount	**2.42**	**2.61**	**5.03**

Note 6 **All Amount in INR Million, Unless otherwise stated**

OTHER NON- CURRENT FINANCIAL ASSETS	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Balance with Revenue Authorities	-	0.07	2.90
Other Advances			-
Total	-	0.07	2.90

Note 7 **All Amount in INR Million, Unless otherwise stated**

DEFERRED TAX ASSETS (NET)	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Particulars			
Opening Balance for Deferred tax Assets / (liabilities)	(0.58)	0.09	0.88
Add/Less: Deferred Tax Assets/(Liabilities) for the year	(2.22)	(0.67)	(0.80)
DEFERRED TAX ASSETS/(LIABILITY) - Refer Note 1	**(2.80)**	**(0.58)**	**0.09**
Opening Balance for Deferred tax Assets / (liabilities)	-	9.63	29.21
Add/Less: Deferred Tax Assets/(Liabilities) for the year	-	(9.63)	(19.58)
DEFERRED TAX ASSETS - Refer Note 2	**-**	**-**	**9.63**
Net amount charged to Statement of Profit and Loss	(2.22)	(10.29)	(20.38)
Deferred tax liabilities(net)	(2.80)	(0.58)	9.71

Note -
1. The Amount is arised on account of Difference between the depriciation of Companies Act and Income Tax Act.
2. Amonut is Arised on account of carry forward lossed under Income Tax Act.

Note 8 **All Amount in INR Million, Unless otherwise stated**

OTHER NON-CURRENT ASSETS	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Advance to Suppliers	0.20	0.36	0.37
Security Deposits	5.79	5.72	6.49
Deferred Revenue Expenses	19.79	8.87	4.86
Residual Value of Impaired Assets	-	2.49	2.49
	25.78	17.44	14.21

Note 9 **All Amount in INR Million, Unless otherwise stated**

INVENTORIES	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Raw material	235.48	212.17	199.83
Raw Material - Stock with supplier for rework	0.71	-	-
Work-in -progress	293.59	73.87	100.23
Finished Goods	30.29	72.17	43.14
	560.07	358.22	343.20

Aeroflex Industries Limited
Notes to Consolidated Restated Financial Statements

Note 10 **All Amount in INR Million, Unless otherwise stated**

TRADE RECEIVABLE	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
(a) Trade Receivables considered good- secured	-	-	-
Trade Receivables Unsecured & considered good	669.70	526.12	337.80
(i) Debts outstanding for a period exceeding six months	119.59	15.80	14.90
(ii) Debts outstanding for a period not exceeding six months	550.11	510.32	322.90
(c)Trade Receivables which have significant increase in Credit Risk		-	-
Less : Loss Allowance	-	-	-
Total	669.70	526.12	337.80
Less: Allowance for doubtful receivables	-	-	-
	669.70	526.12	337.80

Further classified as:			
Receivable from related parties	-	-	-
Receivable from others	669.70	526.12	337.80
Total	669.70	526.12	337.80

31st March 2023 **All Amount in INR Million, Unless otherwise stated**

Particulars/ Period	Less Than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	3 Years or More	Total
(i) Undisputed Trade Receivables – considered good	550.11	110.32	1.91	3.34	2.48	**668.16**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(iii) Undisputed Trade receivable – credit impaired	-	-	-	-	-	**-**
(iv)Disputed Trade receivables - considered good	-	-	-	-	1.54	**1.54**
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	**-**

31st March 2022

Particulars/ Period	Less Than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	3 Years or More	Total
(i) Undisputed Trade Receivables – considered good	510.32	4.39	7.29	0.89	1.69	**524.58**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(iii) Undisputed Trade receivable – credit impaired	-	-	-	-	-	**-**
(iv)Disputed Trade receivables - considered good	-	-	-	1.54	-	**1.54**
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	**-**

31st March 2021

Particulars/ Period	Less Than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	3 Years or More	Total
(i) Undisputed Trade Receivables – considered good	322.90	4.52	5.50	0.43	2.04	**335.38**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(iii) Undisputed Trade receivable – credit impaired	-	-	-	-	-	**-**
(iv)Disputed Trade receivables - considered good	-	-	-	2.42	-	**2.42**
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	**-**

Note 11 All Amount in INR Million, Unless otherwise stated

CASH AND CASH EQUIVALENTS	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Cash on hand ;			
In Domestic Currency	0.03	0.08	0.10
In Foreign Currency	0.56	0.19	0.12
Balances with banks			
On Current Account	60.73	81.79	34.55
Fixed deposits with maturity of less than 3 months		-	-
Cheques/drafts on hand		-	-
Total	61.32	82.05	34.77

Note 12 All Amount in INR Million, Unless otherwise stated

BANK BALANCES OTHER THAN CASH AND CASH EQUIVELENTS	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	1.21	1.23	1.15
	1.21	1.23	1.15

Note 13 All Amount in INR Million, Unless otherwise stated

CURRENT - OTHERS FINANCIAL ASSETS	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Advance to Staff	6.13	4.57	4.27
	6.13	4.57	4.27

Note 14 All Amount in INR Million, Unless otherwise stated

CURRENT TAX ASSETS	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Income Tax Assets	-	-	0.43
	-	-	0.43

Note 15 All Amount in INR Million, Unless otherwise stated

OTHER CURRENT ASSETS	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Advance to Suppliers	216.48	271.35	392.18
Balances with Revenue Authorities	25.21	42.67	37.34
Prepaid Expenses	4.27	3.42	2.99
Receivable from LIC against Gratuity Paid	-	-	0.25
	245.96	317.44	432.75

Note 16 **All Amount in INR Million, Unless otherwise stated**

SHARE CAPITAL :	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Authorised* :			
175,000,000 / 120,000,000 Equity Shares of Rs.2/- each	350.00	240.00	240.00
1,000,000 Series "A" Compulsorily Convertible Preference Shares of Rs. 10/- each	10.00	10.00	10.00
1,000,000 Series "A" Compulsorily Convertible Preference Shares of Rs. 200/-	200.00	200.00	200.00
	560.00	450.00	450.00
Issued, subscribed and fully paid			
114,320,370 Equity Shares of Rs.2/- each fully paid up	228.64	228.64	228.64
	228.64	228.64	228.64

Reconciliation of number of equity shares :	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Face value per share (Rs.)	2	2	2
Number of Equity Shares outstanding at the beginning of the reporting period	11,43,20,370	11,43,20,370	11,43,20,370
No. of Equity Shares issued during the year	-	-	-
	11,43,20,370	11,43,20,370	11,43,20,370
Less : Deduction during the year		-	-
Number of Equity Shares outstanding at the end of the reporting period	11,43,20,370	11,43,20,370	11,43,20,370

Name of the shareholders holding more than 5% shares in the company		As at 31.03.2023	
Name of shareholder	**Class**	**No. of shares**	**%**
Sat Industries Limited	Equity	10,53,77,040	92.18%
Italica Global FZC	Equity	74,54,830	6.52%

Name of the shareholders holding more than 5% shares in the company		As at 31.03.2022	
Name of shareholder	**Class**	**No. of shares**	**%**
Sat Industries Limited	Equity	10,53,77,040	92.18%
Italica Global FZC	Equity	74,54,830	6.52%

Name of the shareholders holding more than 5% shares in the company		As at 31.03.2021	
Name of shareholder	**Class**	**No. of shares**	**%**
Sat Industries Limited	Equity	10,53,77,040	92.18%
Italica Global FZC	Equity	74,54,830	6.52%

Shares held by holding Company		As at 31.03.2023	
	Class	No.of shares	% Holding
Sat Industries Limited	Equity	10,53,77,040	92.18%

Shares held by holding Company		As at 31.03.2022	
	Class	No.of shares	% Holding
Sat Industries Limited	Equity	10,53,77,040	92.18%

Shares held by holding Company		As at 31.03.2021	
	Class	No.of shares	% Holding
Sat Industries Limited	Equity	10,53,77,040	92.18%

* The Company has only one class of shares referred to as the equity shares having face value of Rs. 2/- each for the year ended 31st March 2021 & 31st March 2022 where as at the year ended 31st March 2023 the equity shares of face value of Rs 10 each has been subdivided to the face value of Rs. 2/- each. Each holder of equity share is entitled to one vote per share.

The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by the Shareholders at the AGM.

* The Company has vide resolution passed at the meeting of the Board of Directors dated February 13, 2023 and resolution of Shareholders passed in the EGM dated February 15, 2023 approved the sub-division of 01 (one) Equity Share of face value₹10/- each into 05 (Five) Equity Shares of face value ₹02/- each and incidental change in authorized equity share capital of the Company from 35,000,000 Equity Shares of₹10/- each, to 175,000,000 Equity Shares of ₹ 02/- each & Paid up Share Capital from 2,28,64,074 Equity Shares of₹10/- each, to 11,43,20,370 Equity Shares of ₹ 02/- each. Previous years number of shares and the the face value of the shares has been changed accordingly.

* The Company has not allotted any shares pursuant to contract without payment being received in cash.

* There are no call unpaid on equity shares.

* No shares have been reserved for issue on option.

* No equity shares have been forfeited.

AEROFLEX INDUSTRIES LIMITED
(CIN NO : U24110MH1993PLC074576)

CONSOLIDATED RESTATED STATEMENT OF CHANGES IN EQUITY

NOTE NO - 17 - OTHER EQUITY

All Amount in INR Million, Unless otherwise stated

A. Equity Share Capital

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital due to Prior Period Errors	Restated Balance at the beginging of the current reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
For the year ended on 31/03/2023	228.64				228.64
For the year ended on 31/03/2022	228.64	-	-	-	228.64
For the year ended on 31/03/2021	228.64	-	-	-	228.64

B. Promotors Holding

Name of Promotors	Shares Held at the end of the year 31/03/2023		% of Change during the year	Shares Held at the end of the year 31/03/2022		% of Change during the year	Shares Held at the end of the year 31/03/2021		% of Change during the year
	No of Shares Held	% of Total Shares		No of Shares Held	% of Total Shares		No of Shares Held	% of Total Shares	
Sat Industries Limited	10,53,77,040	92.18%	-	10,53,77,040	92.18%	-	10,53,77,040	92.18%	-

Note : The Company has vide resolution passed at the meeting of the Board of Directors dated February 13, 2023 and resolution of Shareholders passed in the EGM dated February 15, 2023 approved the sub-division of 01 (one) Equity Share of face value ₹10/- each into 05 (Five) Equity Shares of face value ₹02/- each and incidental change in authorized equity share capital of the Company from 35,000,000 Equity Shares of ₹10/- each, to 175,000,000 Equity Shares of ₹ 02/- each & Paid up Share Capital from 2,28,64,074 Equity Shares of ₹10/- each, to 11,43,20,370 Equity Shares of ₹ 02/- each. Previous years number of shares and the the face value of the shares has been changed accordingly.

C. Other Equity

	Reserves & Surplus			Exchange difference on translating financial difference on foreign operation	Other Items of other comprehensive income (specify nature)	Total
	Securities premium	General Reserve	Retained earnings			
Balance at the beginning of the reporting period-01/04/2020	**241.95**	**-**	**56.44**	**-**	**-**	**298.39**
Profit for the year	-	-	60.11	-	-	60.11
Other comprehensive income	-	-	0.03	-	-	0.03
Total Comprehensive income for the year	-	-	**60.14**	-	-	**60.14**
Dividends	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Any other Change (to be Specify)	-	-	-	-	-	-
Balance at the year ended -31.01.2021	**241.95**	**-**	**116.58**	**-**	**-**	**358.53**

Balance at the beginning of the reporting period-01/04/21	**241.95**	**-**	**116.58**	**-**	**-**	**358.53**
Profit for the year	-	-	275.06	-	-	275.06
Other comprehensive income	-	-	0.01	-	-	0.01
Total Comprehensive income for the year	**-**	**-**	**275.06**	**-**	**-**	**275.06**
Dividends	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Any other Change (to be Specify)			-			-
Balance at the year ended -31.03.2022	**241.95**		**391.64**			**633.59**
Balance at the beiginning of the reporting period -01/04/2022	**241.95**	**-**	**391.64**	-	-	**633.59**
Profit for the year	-	-	301.52	-	-	301.52
Other comprehensive income	-	-	0.04	**-**	**-**	0.04
Total Comprehensive income for the year	**-**	**-**	**301.57**	-	-	**301.57**
Dividends	-	-	22.86	-	-	22.86
Transfer to retained earnings	-	-	-	-	-	-
Any other Change (to be Specify)						-
Balance at the end of the reporting period - 31.03.2023	**241.95**	**-**	**670.34**	**-**	**-**	**912.29**

Note -

1. Securities premium is used to record the premium on issue of shares. This account is utilised in accordance with the provisions of the Companies Act, 2013 ('the Act').
2. Retained earnings represents the profits / (losses) that the company has earned / incurred till date, including gain / (loss) on remeasurement of defined benefits plans as adjusted for distributions to owners, transfer to other reserves etc.

As Per Our Report of even date
FOR SHWETA JAIN & CO
CHARTERED ACCOUNTANTS
F.R.N. : 127673W

For and on behalf of the Board

PRIYANKA JAJU
(Partner)
Membership No : 416197
Place : Thane
Date : 12th July 2023
UDIN No : 23416197BGWGGY7637

ASAD DAUD
(MANAGING DIRECTOR)
(DIN-02491539)

MUSTAFA A KACHWALA
(WHOLETIME DIRECTOR & CFO)
(DIN-03124453)

KINJAL SHAH
(COMPANY SECRETARY)
(M.No : A58678)

Note 18

All Amount in INR Million, Unless otherwise stated

BORROWINGS -NON CURRENT :	**As at 31.03.2023**		**As at 31.03.2022**		**As at 31.03.2021**	
	Current	**Non-Current**	**Current**	**Non-Current**	**Current**	**Non-Current**
SECURED :						
(a) Term Loans:						
From Bank & Financial Institution:						
Kotak Mahindra Bank Ltd					-	-
(Secured against mortgage of Land & Building, Plant & Machiney & hypothecation of						
Kotak Mahindra Bank Ltd - Foreign Currency Term Loan	-	-	9.89	23.54	7.85	34.17
(Secured against mortgage of Land & Building, Plant & Machiney & hypothecation of						
Kotak Mahindra Bank Ltd - Foreign Currency Term Loan	115.36	14.50	102.76	125.11	86.75	232.95
(Secured against mortgage of Land & Building, Plant & Machiney & hypothecation of						
Kotak Mahindra Bank Ltd - Foreign Currency Loan	36.25	152.22	-	-	-	-
(Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of						
Kotak Mahindra Bank Ltd - ECLGS	29.42	28.93	27.27	58.40	2.22	85.68
(Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of						
Kotak Mahindra Bank Ltd - Car Loan	1.08	-	1.00	1.07	-	-
(Secured against hypothecation of Motor Car)						
Kotak Mahindra Bank Ltd - Vehicle Loan	0.53	1.21	0.48	1.74	-	-
(Secured against hypothecation of Bus)						
	182.64	196.86	141.41	209.86	96.82	352.80

Note 19

All Amount in INR Million, Unless otherwise stated

OTHER NON CURENT LIABILITIES	**As at 31.03.2023**	**As at 31.03.2022**	**As at 31.03.2021**
Payable for Capital Goods	9.86	9.31	9.47
	9.86	**9.31**	**9.47**

Note 20

All Amount in INR Million, Unless otherwise stated

BORROWINGS -CURRENT :	**As at 31.03.2023**	**As at 31.03.2022**	**As at 31.03.2021**
SECURED :			
Current maturities of long term borrowings	182.64	141.41	96.82
CASH CREDIT ACCOUNTS:			
Kotak Mahindra Bank Ltd		-	-
(Secured against mortgage of Land & Building,			
Plant & Machiney & hypothecation of Inventory and			
Trade Receivables & other movable & immovable			
Assets)			
UNSECURED :			
UNSECURED :			
From Related Parties	-	-	60.79
SAT Industries Ltd.		-	60.79
SAT Industries Ltd. - Current Account		-	-
From Non Related Parties	70.56	40.00	20.28
PIL Italica Lifestyle Limited		-	20.28
D A Tradetech Pvt Ltd	70.56	40.00	-
	70.56	40.00	81.06
	253.20	181.41	177.88

Note 21 All Amount in INR Million, Unless otherwise stated

TRADE PAYABLES	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Total outstanding dues of micro enterprises and small enterprises	88.31	0.87	5.55
Total outstanding dues of creditors other than micro enterprises and small enterprises	278.00	340.98	397.81
	366.30	341.85	403.36

Note : There are no unbilled and Not due trade payables, hence the same are not disclosed in the ageing schedule

PARTICULARS	Outstanding for following periods from due date of payment as on 31st March 2023				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	88.31	-	-	-	**88.31**
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	277.76	-	-	0.24	**278.00**
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	**-**
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	**-**

PARTICULARS	Outstanding for following periods from due date of payment as on 31st March 2022				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	0.87	-	-	-	**0.87**
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	340.64	0.10	0.24	-	**340.98**
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	**-**
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	**-**

PARTICULARS	Outstanding for following periods from due date of payment as on 31st March 2021				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	5.55	-	-	-	**5.55**
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	394.93	2.88	-	-	**397.81**
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	**-**
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	**-**

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
(a) Amount remaining unpaid to MSME Registered supplier at the end of each accounting year:			
Principal	88.31	0.87	5.55
Total	**88.31**	**0.87**	**5.55**
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.		-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.		-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.		-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.		-	-
Total	-	-	-

Note 22 All Amount in INR Million, Unless otherwise stated

OTHER CURENT LIABILITIES	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Statutory dues payable	3.49	3.78	1.43
Advance from customers	47.32	92.10	35.31
Other Payables	58.29	57.82	49.00
	109.11	153.71	85.74

Note 23 All Amount in INR Million, Unless otherwise stated

CURRENT TAX LIABILITIES	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Current tax (Net of Advance Tax)	60.72	75.42	
	60.72	75.42	-

Note 24 All Amount in INR Million, Unless otherwise stated

REVENUE FROM OPERATIONS	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
Sale of Products :			
- Domestic	433.45	294.28	226.16
- Export	2,171.80	2,035.59	1,171.15
Total (A)	2,605.26	2,329.87	1,397.32
Other Operating Income :			
Sale of Scrap	21.94	15.81	8.25
Foreign Exchange Fluctuation	53.13	32.37	19.21
Other Operating Income	14.28	29.96	22.96
Total (B)	**89.35**	**78.13**	**50.42**
Total (A+B)	**2,694.61**	**2,408.00**	**1,447.74**

Analysis of revenues by segments:			
Manufacturing of Stainless Steel Corrugated Flexible Hoses and Braiding's and Assembl	**2,694.61**	**2,408.00**	**1,447.74**
Income based on timing of recognition			
Income recognition at a point in time	2,694.61	2,408.00	1,447.74
Income recognition over period of time	-	-	-
Total	**2,694.61**	**2,408.00**	**1,447.74**
Gross and Net Income Reconciliation			
Gross Income	2,612.07	2,337.23	1,406.06
Adjustment for:-			
Sales Return	2.01	4.39	1.97
Discount	4.81	2.97	6.78
Net Income	2,605.26	2,329.87	1,397.32

Note 25 All Amount in INR Million, Unless otherwise stated

OTHER INCOME	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
Interest Income			
- On fixed deposits designated as amortized cost	0.04	0.06	0.61
- On others	0.13	0.47	-
Sundry Balances Written Back (Net)	-	-	-
Insurance Claim	-	1.39	-
Income Tax Refund	-	-	-
Profit on sale of Fixed Assets	-	-	-
	0.17	1.92	0.61

Note 26 All Amount in INR Million, Unless otherwise stated

COST OF MATERIAL CONSUMED	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
Opening Stock	212.17	199.83	183.40
Add: Purchases	1,901.78	1,575.64	961.24
	2,113.95	1,775.47	1,144.64
Less: Closing Stock	235.48	212.17	199.83
	1,878.47	1,563.30	944.82

Note 27 All Amount in INR Million, Unless otherwise stated

CHANGES IN INVENTORIES	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
Opening Stock :			
Finished Goods	72.17	43.14	-
Work-in-progress	73.87	100.23	134.13
	146.05	**143.37**	**134.13**
Less :Closing Stock :			
Finished Goods	30.29	72.17	43.14
Work-in-progress	293.59	73.87	100.23
	323.88	**146.05**	**143.37**
	(177.84)	**(2.68)**	**(9.24)**

Note 28 All Amount in INR Million, Unless otherwise stated

EMPLOYEE BENEFITS	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
Salaries, Wages, Bonus and Other Allowances	201.63	154.66	117.79
Contribution to Provident Fund and ESI	8.40	6.85	5.48
Gratuity and compensated absences expenses	8.96	0.49	0.08
Staff welfare expenses	12.52	13.21	8.05
	231.51	**175.20**	**131.40**

Note 29 **All Amount in INR Million, Unless otherwise stated**

FINANCE COSTS	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
Interest on borrowing ;			
- To Bank	23.47	39.47	53.09
- To Related Parties	-	-	21.58
- To Others	4.98	16.64	7.97
Processing Fee & Stamp duty	4.40	1.51	4.77
Finance Management Charges	11.18	4.20	-
Interest Paid to Creditors	1.47	0.68	1.99
	45.50	**62.51**	**89.40**

Note 30 **All Amount in INR Million, Unless otherwise stated**

Depreciation and Amortization	For the year ended 31.03.2023	For the period ended 31.03.2022	For the year ended 31.03.2021
(i) Depreciation and Amortisation :			
(a) Depreciation expense	49.90	40.71	36.91
(b) Amortization expense	2.29	1.13	0.87
	52.19	**41.84**	**37.78**

Note 31 **All Amount in INR Million, Unless otherwise stated**

OTHER EXPENSES	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
Advertismenent expense	0.40	-	-
Repair & Maintenance	56.72	58.43	42.45
Power & Fuel	25.76	29.26	21.10
Export Freight , Handling & Clearing	22.58	32.47	15.72
Office Expenses	13.73	18.69	13.27
Sundry Balances Written off	3.16	3.01	9.15
Freight Outward & Octroi	10.53	5.77	9.15
License & Consultancy Fees	14.70	7.76	6.25
Freight Inward	6.64	6.71	5.15
Conveyance	5.22	5.32	5.08
Insurance	5.71	5.84	3.45
Wages	7.28	3.42	3.29
MVAT of Earlier Year	-	-	2.86
Bank Charges & Commission	3.28	3.58	2.61
CSR Activity Exp.	3.83	0.30	-
Donation Paid	-	1.85	2.45
Computer Exp	4.39	2.54	2.10
Late Deliveries Charges	-	-	1.95
Printing & Stationary	2.21	1.92	1.61
Testing & Calibration	1.37	1.76	1.43
Commission	3.85	2.58	1.41
Telephone & Internet	2.27	1.44	1.24
Rates & Taxes	1.37	5.24	1.35
Travelling	18.26	2.09	0.19
Other Expenses	8.87	5.26	4.15
	222.13	205.26	157.41

Note 32 **All Amount in INR Million, Unless otherwise stated**

Exceptional Items	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
Profit/(Loss) on sale of Fixed Assets	0.05	0.01	-
Impairment of Fixed Assets		-	-
FCTL Exchange Fluctuation	(30.77)	4.13	(16.30)
	(30.72)	**4.14**	**(16.30)**

Note 33 **All Amount in INR Million, Unless otherwise stated**

Tax Effects	**For the year ended 31.03.2023**	**For the year ended 31.03.2022**	**For the year ended 31.03.2021**
Current tax	101.85	83.30	-
Short/ (Excess) Provision for Earlier Years	6.49	(0.03)	-
Deferred tax	2.22	10.29	20.38
	110.56	**93.57**	**20.38**

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit / (loss) before income taxes is as below:	**For the year ended 31.03.2023**	**For the year ended 31.03.2022**	**For the year ended 31.03.2021**
Restated Profit/ (loss) before Income Tax	412.08	368.62	80.49
Effect of Losses of Subsidiary	0.04	0.56	0.10
Effects of Temprary (Allowance)/Disallowance	(8.85)	(2.65)	(3.04)
Effects of Permanent (Allowance)/Disallowance	1.41	0.48	2.40
Effect of Differntial Calculation of Capital Gains in Income Tax	-	-	-
Adjustment of Brought Forward Losses	-	(36.05)	(79.95)
Net Taxable Income	404.68	330.96	(0.00)
Applicable income tax rate	25.17%	25.17%	25.17%
Current Tax Expense/(Credit)	101.85	83.30	(0.00)
Current Tax Expense/(Reversal)	8.71	10.27	20.38

Note 34 **All Amount in INR Million, Unless otherwise stated**

Earnings per share

	For the year ended 31.03.2023	**For the year ended 31.03.2022**	**For the year ended 31.03.2021**
Earning per share has been computed as under			
(a) Profit for the year/period	301.57	275.06	60.11
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share having face vale of Rs 2 each for the year ended 31st March 2023, 2022 & 2021	11,43,20,370	11,43,20,370	11,43,20,370
(c) Effect of potential Equity shares on conversion of outstanding share warrants		-	-
(d) Weighted average number of equity shares in computing diluted earnings per share [(b) + (c)]	11,43,20,370	11,43,20,370	11,43,20,370
(e) Earnings per share on profit for the year (Face Value Rs. 2 each)			
-Basic (a/b)	2.64	2.41	0.53
-Diluted (a/d)	2.64	2.41	0.53

Note : The Company has vide resolution passed at the meeting of the Board of Directors dated February 13, 2023 and resolution of Shareholders passed in the EGM dated February 15, 2023 approved the sub-division of 01 (one) Equity Share of face value₹10/- each into 05 (Five) Equity Shares of face value ₹02/- each and incidental change in authorized equity share capital of the Company from 35,000,000 Equity Shares of ₹10/- each, to 175,000,000 Equity Shares of ₹ 02/- each & Paid up Share Capital from 2,28,64,074 Equity Shares of ₹10/- each, to 11,43,20,370 Equity Shares of ₹ 02/- each. Previous years number of shares and the the face value of the shares has been changed accordingly.

(Amount in Millions, unless otherwise stated)

Note 35 Employee benefits

I. **Defined contribution plans**

The Company has classified the various benefits provided to employees as under:

a. Provident Fund
b. Employee state insurance fund
c. Labour welfare fund

The expense recognised during the year towards defined contribution plan -

All Amount in INR Million, Unless otherwise stated

Particulars	**For the year ended 31.03.2023**	**For the year ended 31.03.2022**	**For the year ended 31.03.2021**
Contribution to Provident Fund	7.09	5.77	4.56
Employers Contribution to Employee state insurance fund	1.05	0.84	0.74

II. **Defined benefit plans**
Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The Company has made payments for the annual applicable gratuity liability to LIC gratuity Scheme in earlier years where the gratuity liability will be paid to the employees by LIC when the same is due to pay. The company made provision for the gratuity for the year ended based on the actuarial valuation of the gratuity liability as done by the LIC and the same has been paid during the year. Since the company has paid the premium to LIC towards the gratuity liability therefore the liability as and when arise shall be reimbursed by LIC to the eligible retiring employees.

(Amount in Millions, unless otherwise stated)

Note 36 Contingent liabilities & commitments

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	All Amount in INR Million, Unless otherwise stated		
Estimated Amount of contracts remaining to be executed on capital account	-	-	-
Contingencies	-	-	-

The management is of the opinion that there is no contingent liability that exists during the reporting period therefore no separate provision has been made for the same. There will be liability of the interest on the short fall in payment of advance Tax for the FY 2022-23 and also may attract liability of interest on the overdue MSME suppliers balance of Rs 32.64 lakhs for the year ended 31st March 2023 for which no specific period term sheet has been signed for the payment terms. No provision for interest has been made in the financial statement for the year ended 31st March 2023.

Note 37 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The managing director of the Company acts as the (CODM). The Company operates only in one business segment i.e. Manufacturing of Stainless Steel Corrugated Flexible Hoses and Braidings and Assemblies and hence, the Company has only one reportable segments as per Ind AS 108 "Operating Segments".

Note 38 Capital Management

The company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The company funds its operations through internal accruals, borrowings etc. The company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern. The primary objective of the company's capital management is to ensure that it maintains an efficient capital structure and maximizes shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023, March 31, 2022 and March 31, 2021. The company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.
The company's adjusted net debt to equity ratio is as follows.

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	All Amount in INR Million, Unless otherwise stated		
Borrowings			
Long term and Short term borrowings	267.42	249.86	433.86
Current maturities of Long term borrowings	182.64	141.41	96.82
Less: cash and cash equivalents	61.32	82.05	34.77
Less: Bank balances other than cash and cash equivalents	1.21	1.23	1.15
Adjusted net debt	**387.53**	**307.98**	**494.77**
Total Equity	1,140.93	862.23	587.17
Adjusted net debt to equity ratio	0.34	0.36	0.84

(Amount in Millions, unless otherwise stated)

Note 39 Fair value measurements

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

All Amount in INR Million, Unless otherwise stated

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets and liabilities as at 31 March 2023								
Non-current financial assets								
Other financial assets	-	-	-	**-**	-	-	-	**-**
Other non-current assets	-	-	5.99	**5.99**			5.99	**5.99**
Current financial assets								
Trade receivables	-	-	669.70	**669.70**	-	-	669.70	**669.70**
Cash and cash equivalents	-	-	61.32	**61.32**	-	-	61.32	**61.32**
Bank balances other than cash and cash equivalent	-	-	1.21	**1.21**	-	-	1.21	**1.21**
Other financial assets	-	-	222.61	**222.61**	-	-	222.61	**222.61**
Total	**-**	**-**	**960.83**	**960.83**	**-**	**-**	**960.83**	**960.83**
Non-current financial liabilities								
Long term borrowings	-	-	196.86	**196.86**	-	-	196.86	**196.86**
Other Non current liabilities	-	-	9.86	**9.86**	-	-	9.86	**9.86**
Current financial liabilities								
Short term borrowing	-	-	253.20	**253.20**	-	-	253.20	**253.20**
Trade payables	-	-	366.30	**366.30**	-	-	366.30	**366.30**
Other financial liabilities	-	-	-	**-**	-	-	-	**-**
Other current liabilities	-	-	109.11	**109.11**	-	-	109.11	**109.11**
Total	**-**	**-**	**935.33**	**935.33**	**-**	**-**	**935.33**	**935.33**

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets and liabilities as at 31 March 2022								
Non-current financial assets								
Other financial assets	-	-	0.07	**0.07**	-	-	0.07	**0.07**
Other non-current assets	-	-	6.07	**6.07**	-	-	6.07	**6.07**
Current financial assets								
Trade receivables	-	-	526.12	**526.12**	-	-	526.12	**526.12**
Cash and cash equivalents	-	-	82.05	**82.05**	-	-	82.05	**82.05**
Bank balances other than cash and cash equivalent	-	-	1.23	**1.23**	-	-	1.23	**1.23**
Other financial assets	-	-	275.92	**275.92**	-	-	275.92	**275.92**
Total	**-**	**-**	**891.48**	**891.48**	**-**	**-**	**891.48**	**891.48**
Non-current financial liabilities								
Long term borrowings	-	-	209.86	**209.86**	-	-	209.86	**209.86**
Other Non current liabilities	-	-	9.31	**9.31**	-	-	9.31	**9.31**
Current financial liabilities								
Short term borrowing	-	-	181.41	**181.41**	-	-	181.41	**181.41**
Trade payables	-	-	341.85	**341.85**	-	-	341.85	**341.85**
Other financial liabilities	-	-	-	**-**	-	-	-	**-**
Other current liabilities	-	-	153.71	**153.71**	-	-	153.71	**153.71**
Total	**-**	**-**	**896.15**	**896.15**	**-**	**-**	**896.15**	**896.15**

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets and liabilities as at 31 March 2021								
Non-current financial assets								
Other financial assets	-	-	2.90	**2.90**	-	-	2.90	**2.90**
Other non-current assets	-	-	6.86	**6.86**	-	-	6.86	**6.86**
Current financial assets								
Trade receivables	-	-	337.80	**337.80**	-	-	337.80	**337.80**
Cash and cash equivalents	-	-	34.77	**34.77**	-	-	34.77	**34.77**
Bank balances other than cash and cash equivalent	-	-	1.15	**1.15**	-	-	1.15	**1.15**
Other financial assets	-	-	396.45	**396.45**	-	-	396.45	**396.45**
Total	**-**	**-**	**779.94**	**779.94**	**-**	**-**	**779.94**	**779.94**
Non-current financial liabilities								
Long term borrowings	-	-	352.80	**352.80**	-	-	352.80	**352.80**
Other Non current liabilities	-	-	9.47	**9.47**	-	-	9.47	**9.47**
Current financial liabilities								
Short term borrowing	-	-	177.88	**177.88**	-	-	177.88	**177.88**
Trade payables	-	-	403.36	**403.36**	-	-	403.36	**403.36**
Other financial liabilities	-	-	-	**-**	-	-	-	**-**
Other current liabilities	-	-	85.74	**85.74**	-	-	85.74	**85.74**
Total	**-**	**-**	**1,029.26**	**1,029.26**	**-**	**-**	**1,029.26**	**1,029.26**

B. The carrying amounts of trade receivables, trade payables, deposits, other receivables, cash and cash equivalent including other current bank balances and other liabilities including deposits, creditors for capital expenditure, etc. are considered to be the same as their fair values, due to current and short term nature of such balances. Further non current financial assets and liabilities has been given above for better analysis of the financial assets & liabilities which are receivable & payable to the company.

C. Fair Value Hierarchy

The fair value of financial instruments as referred to above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

There were no transfers between level 1 and level 2 during the period/year ended. The Fair Value hierarchy of all the financial assets and financial liabilities has been measured at fair value on recurring basis for Level -3.

(Amount in Millions, unless otherwise stated)

Note 40 Financial Risk Management

The company seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The company regularly monitors, analyzes and manages the risks faced by the company and to sets and monitors appropriate risk limits and controls for mitigation of the risks.The company has an adequate internal control system, commensurate to the size and complexity of its business and is maintained to align with the philosophy of the company. The Board of Directors reviews the adequacy and effectiveness of the risk management and internal control system. The company's financial risk management is an integral part of how to plan and execute its business strategies.
The activities of the company exposes it to a number of financial risks namely credit risk, liquidity risk and market risk.

(A) 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, and arises principally from the company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

i) Trade and Other Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India and abroad. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

Summary of the company's exposure to credit risk of the outstanding from various customers is as follows:

	All Amount in INR Million, Unless otherwise stated		
Particulars	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Unsecured			
-Considered good	669.70	526.12	337.80
Gross Trade Receivables	**669.70**	**526.12**	**337.80**
Less: Loss Allowance	-	-	-
Net Trade Receivables	**669.70**	**526.12**	**337.80**

For the year ended 31st March 2021, on account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss. The company computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and the company's historical experience for customers. The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is based on the ageing of the receivable days and the rates as given in the provision matrix. For the year ended 31st March 2022 and year ended on 31st March, 2023 exposures to customers outstanding at the end of each period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

ii) Loans and financial assets measured at amortized cost

Loans and advances curent & non current included in the financial instruments or included in other current assets has a least risk as the same are regularly supervised by the management.The Company monitors each loans and advances given and makes any specific provision wherever required as per the input from the managements.

iii. Cash and bank balances

The company held cash and cash equivalent and other bank balance of Rs. 62.53 Millions at 31 March 2023 (31 March 2022: Rs 83.29 Millions, and 31 March 2021 : Rs 35.92 Millions). The same are held with bank and financial institution counterparties with good credit rating therefore does not expose the company to risk.

(B) Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash obligations without incurring unacceptable losses. The company's objective is to maintain at all times optimum levels of liquidity to meet obligations. The company closely monitors its liquidity position and has a cash management system. The company maintains adequate sources of financing including debt and overdraft from banks and financial markets at optimized cost. The company's current assets aggregate to Rs.**1544.39** millions on 31st March 2023 and Rs. 1289.64, 1154.37 millions on 31st March 2022 & 2021 respectively including the cash and cash equivalents and other bank balances of Rs **62.53** millions on 31st March 2023 and Rs. 83.29, 35.92 millions on 31st March 2022 & 2021 respectively against an aggregate current liability & non-current liabilities between one year to three years as given in the below mentioned tables on the reporting date. Further, while the group's total equity stands at Rs. **1140.93** millions on 31st March 2023 and 862.23 and 587.17 millions respectively on the year ended 2022 & 2021 respectively. In such circumstances, liquidity risk or the risk that the group may not be able to settle or meet its obligation as they become due does not exist.

(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

All Amount in INR Million, Unless otherwise stated

Contractual maturities of financial liabilities 31 March 2023	1 year or less	1-3 years	More than 3 years	Total
Long term borrowings	-	131.09	65.77	196.86
Short term borrowings	253.20	-	-	253.20
Trade Payables	366.06	-	10.10	376.16
Other financial liabilities	-	-	-	-
Total	**619.26**	**131.09**	**75.87**	**826.22**

Contractual maturities of financial liabilities 31 March 2022	1 year or less	1-3 years	More than 3 years	Total
Long term borrowings	-	167.99	41.87	209.86
Short term borrowings	181.41	-	-	181.41
Trade Payables	341.51	0.34	9.31	351.16
Other financial liabilities	-	-	-	-
Total	**522.91**	**168.33**	**51.18**	**742.43**

Contractual maturities of financial liabilities 31 March 2021	1 year or less	1-3 years	More than 3 years	Total
Long term borrowings	-	175.54	177.26	352.80
Short term borrowings	177.88	-	-	177.88
Trade Payables	400.48	2.88	9.47	412.84
Other financial liabilities	-	-	-	-
Total	**578.37**	**178.42**	**186.73**	**943.52**

(C) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.The company's exposure to, and management of, these risks is explained below.

(i) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company is engaged in export of its products and have a foreign subsidiary as well and it has foreign currency trade receivables and payable and has also availed term loans in foreign currency from bank which are exposed to foreign exchange risk. The group mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures etc. The exchange rates have been volatile in the recent period and may continue to be volatile in the future. Hence the operating results and financials of the group may be impacted due to volatility of the rupee against foreign currencies. The group has exposure mainly in USD/EURO/GBP converted to functional currency i.e. INR. Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Hence the company is materially exposed to Foreign Currency Risk details of the same is as follows :

All Amount in INR Million, Unless otherwise stated

Particulars	Currency	Balance as at March 31, 2023	Balance as at March 31, 2022	Balance as at March 31, 2021
Financial Assets	USD	563.11	418.81	209.56
	Euro	110.00	132.32	99.92
	Pound Sterling	12.22	14.81	7.33
	AED	0.01		0.01
Total		**685.34**	**565.94**	**316.81**
Financial Liabilities	USD	105.28	141.77	343.94
	Euro	328.18	280.27	379.12
	Pound Sterling	0.40	0.18	1.64
	AED	-	-	-
Total		**433.86**	**422.22**	**724.70**
Net Expousre				
	USD	457.83	277.04	(134.38)
	Euro	(218.18)	(147.94)	(279.21)
	Pound Sterling	11.82	14.64	5.69
	AED	0.01	-	0.01

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The group is having least interest rate risk since it's borrowing consist mix of fixed and variable rate of interest which dilutes the effect of flactuation in market interest rate.

All Amount in INR Million, Unless otherwise stated

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings	318.33	261.31	361.72
Fixed rate borrowings	131.73	129.97	168.96

Sensitivity:
A change of 100 basis points in interest rates would have following impact on profit after tax and equity -

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Interest rates – increase by 100 basis points *	2.38	1.96	2.71
Interest rates – decrease by 100 basis points *	-2.38	-1.96	-2.71

* Holding all other variables constant

(iii) Price Risk
Price Risk is the risk associated with change in price of investment which can cause an impact on the financial situation of the company. Since the company does not have any investment it is not exposed to price risk.

(Amount in Millions, unless otherwise stated)

Note41 Related Party Transactions

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Name of Related Party	Nature of Relationship	Country of Incorporation/ Residency
Sat Industries Limited	Holding Company	India
Italica Global FZC	Wholly-Owned Subsidiary of Holding Company	UAE
Areoflex Industries Limited - London UK	Wholly-Owned Subsidiary Company	India
Mr. Asad Daud	Managing Director	India
Mr. Mustafa Abid Kachwala	Whole Time Director & CFO	India
Ms. Kinjal Shah	Company Secretary & Compliance Officer	India
Mr Deepak Kalera	Former Chief Financial Officer	India
Ms. Madhuri Vyas	Company Secretary (Upto November 2021)	India

(ii) Transactions with related parties

The following transactions occurred with related parties

All Amount in INR Million, Unless otherwise stated

Name	Nature of Relationship	Nature of Transaction	March 31, 2023	March 31, 2022	March 31, 2021
Mr. Asad Daud	Managing Director	Director Remmuneration	8.31	3.84	3.11
Mr. Mustafa A Kachwala	Wholetime Director & CFO	Director Remmuneration	1.06	0.96	0.87
Sat Industries Limited	Holding Company	Loan Taken & Repaid	40.00	60.79	81.17
Sat Industries Limited	Holding Company	Interest Expenses	0.77	9.05	21.58
Sat Industries Limited	Holding Company	Financial Management Charges	11.18	4.20	-
Sat Industries Limited	Holding Company	Dividend Paid	21.08	-	-
Italica Global FZC	Wholly-Owned Subsidiary of Holding Company	Sales	37.40	62.83	11.00
Italica Global FZC	Wholly-Owned Subsidiary of Holding Company	Dividend Paid	1.49	-	-
Ms. Madhuri Vyas	Former Company Secretary	Salary	-	0.28	0.42
Ms. Kinjal Shah	Company Secretary	Salary	0.59	0.18	-
Mr. Deepak Kalera	Former CFO	Salary	1.60	-	-

*** Dividend Paid to Mr Asad Daud & Mr Mustafa A Kachwala for Rs 100/- Each is not included in Transaction mentioned above as the amount paid is not significient.**

(iii) Outstanding balances payable to :

All Amount in INR Million, Unless otherwise stated

Name	Nature of Transaction	March 31, 2023	March 31, 2022	March 31, 2021
Sat Industries Limited	Borrowings	-	-	60.79
Sat Industries Limited	Interest Payble	-	-	-

(iv) Key management personnel compensation

All Amount in INR Million, Unless otherwise stated

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Short term employee benefits	12.16	5.26	4.40
Post-employment benefits	-	-	-
Long term employee benefits	-	-	-
Termination benefits	-	-	-
Employee share based payment	-	-	-
	12.16	**5.26**	**4.40**

(v) Terms and conditions of transactions with related parties

There have been no guarantees provided or received for any related party receivables and payables. The company has availed corporate gurantee of its holding company SAT Industries Ltd and personal gurantee of Mr Daud Ali for the banking facility availed by it from Kotak Mahindra Bank Ltd. The company has not recorded any impairment of receivables relating to amounts owned by related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and market in which the related party operates and the transactions are at arm lenth in ordinary course of the business.

(Amount in Millions unless otherwise stated)

Note 42 Statement of unhedged foreign currency exposure:

There is no outstanding derivative instrument held by the company at March 31, 2023, March 31, 2022 and March 31, 2021. Following is the foreign currency exposure at the respective years, the same has not been hedged by the company -

All Amount in INR Million, Unless otherwise stated

Particulars	**Currency**	**Balance as at March 31, 2023**	**Balance as at March 31, 2022**	**Balance as at March 31, 2021**
Amount Receivable in Foreign Currency				
Export of Products	Rs.	601.19	482.43	261.64
	USD	6.01	4.58	2.20
	EURO	1.06	1.43	1.15
	Pound Sterling	0.12	0.15	0.05
Advance to Supplier	Rs.	11.90	6.92	4.12
	USD	0.15	0.09	0.06
Amount Payable in Foreign Currency				
Import of Goods	Rs.	93.80	59.88	144.61
	USD	1.14	0.79	1.94
	GBP	0.00	0.00	0.03
Advance from Cutomers	Rs.	50.42	90.57	33.75
	USD	0.60	1.08	0.39
	EURO	0.01	0.11	0.06
Spares and Others	Rs.	9.86	7.13	7.13
	EURO	0.11	0.11	0.11
Foreign Currency Term Loan	Rs.	318.33	261.31	361.72
	EURO	3.55	3.09	4.20

Note 43 Transactions in Foreign Currency

A) Expense in Foreign Currency

All Amount in INR Million, Unless otherwise stated

Particulars	**For the Year Ended March 31, 2023**	**For the Year Ended March 31, 2022**	**For the Year Ended March 31, 2021**
Travelling and Hotel Expenses	12.99	2.09	0.19
Payment Towards Services & Other Expenses	5.45	0.97	0.92
Total	**18.44**	**3.06**	**1.11**

B) Income in Foreign Currency

Particulars	**For the Year Ended March 31, 2023**	**For the Year Ended March 31, 2022**	**For the Year Ended March 31, 2021**
FOB Value of Exports	2,140.47	2,035.59	1,194.81
Total	**2,140.47**	**2,035.59**	**1,194.81**

C) CIF value of Import

Particulars	**For the Year Ended March 31, 2023**	**For the Year Ended March 31, 2022**	**For the Year Ended March 31, 2021**
Raw Material	834.39	721.79	452.79
Capital Goods	26.12	14.25	5.47
Total	**860.52**	**736.04**	**458.26**

Aeroflex Industries Limited
Notes forming part of the Restated Financial Statements
(Amount in Millions unless otherwise stated)

Note - 44 : Information required for Restated Consolidated Summary Statements pursuant to Schedule III of the Companies act 2013
Part "A": Subsidiaries

Name of subsidiary	
Date when subsidiary was acquired	May 17, 2019
Reporting period	31-Mar-23
Share capital	GBP 20,000
Reserves & surplus	-GBP 10,335
Total assets	GBP 13,595
Total liabilities	GBP 3,930
Investments	-
Turnover	GBP 8,496
profit before taxation	-GBP 402
Provision for taxation	GBP 0
Profit after taxation	-GBP 402
Other comprehensive income	-
Proposed Dividend	-
% holding	100.00%

All Amount in INR Million, Unless otherwise stated

	31st March 2023							
Name of entity	**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	**₹ in million**	**As % of consolidated**	**₹ in million**	**As % of consolidated**	**₹ in million**	**As % of consolidated**	**₹ in million**
(A) Holding Company								
Aeroflex Industries Limited	100.08%	1,141.87	100.01%	301.56	0.00%	-	100.00%	301.56
(B) Subsidiaries								
Aeroflex Industries Limited UK	-0.08%	(0.94)	-0.01%	(0.04)	100.00%	0.04	0.00%	0.01
Total	**100.00%**	**1,140.93**	**100.00%**	**301.52**	**100.00%**	**0.04**	**100.00%**	**301.57**

All Amount in INR Million, Unless otherwise stated

	31st March 2022							
Name of entity	**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	**₹ in million**	**As % of consolidated**	**₹ in million**	**As % of consolidated**	**₹ in million**	**As % of consolidated**	**₹ in million**
(A) Holding Company								
Aeroflex Industries Limited	100.11%	863.18	100.23%	275.70	0.00%	-	100.23%	275.70
(B) Subsidiaries								
Aeroflex Industries Limited UK	-0.11%	(0.95)	-0.23%	(0.64)	100.00%	0.01	-0.23%	(0.64)
Total	**100.00%**	**862.23**	**100.00%**	**275.06**	**100.00%**	**0.01**	**100.00%**	**275.06**

	31st March 2021							
Name of entity	**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	**₹ in million**	**As % of consolidated**	**₹ in million**	**As % of consolidated**	**₹ in million**	**As % of consolidated**	**₹ in million**
(A) Holding Company								
Aeroflex Industries Limited	100.05%	587.47	100.09%	60.16	0.00%	-	100.04%	60.16
(B) Subsidiaries								
Aeroflex Industries Limited UK	-0.05%	(0.31)	-0.09%	(0.05)	100%	0.03	-0.04%	(0.02)
Total	**100.00%**	**587.17**	**100.00%**	**60.11**	**100.00%**	**0.03**	**100.00%**	**60.14**

Part "B": Disclosure of interest in the Associate

Name of the entity	**Place of business/ country of incorporation**	**31st March 2023**	**31st March 2022**	**31st March 2021**	**Principal activities**
Nil	NA	NA	NA	NA	NA

Aeroflex Industries Limited
Notes forming part of the Restated Financial Statements
(Amount in Millions unless otherwise stated)

Note - 45
Reconciliation between Audited profit and Restated profit

All Amount in INR Million, Unless otherwise stated

Particulars	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Profit for the year (as per audited consolidated financial statements)	301.52	275.06	60.11
Restatement adjustments:			
- Net Impairment losses on trade receivables	-	-	-
	-	-	-
Tax impact on above adjustment	-	-	-
Total impact on account of restatement adjustments	**-**	**-**	**-**
Profit for the period/year as per Restated Consolidated Summary Statement of Profit and loss	**301.52**	**275.06**	**60.11**

Reconciliation between audited total equity and restated total equity

All Amount in INR Million, Unless otherwise stated

Particulars	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Total equity (as per audited consolidated financial statements)	1,140.93	862.23	587.17
Restatement adjustments:			
- Net Impairment losses on trade receivables		-	-
Tax impact on above adjustment	-	-	-
Total impact on account of restatement adjustments		-	-
Total equity as per Restated Consolidated Summary Statement of Assets and Liabilities	**1,140.93**	**862.23**	**587.17**

NOTE 46 : OTHER NOTES :

I. In the opinion of the Board of Directors of the group, the current assets are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities are adequate and are not in excess of the amount considered reasonably necessary. Sundry debtors and creditors balances which are not receivable or payable due to the operational reasons, have been written off or written back during the respective year and accounted accordingly.

II. Additional liability if any, arising pursuant to respective assessment under various fiscal statues, shall be accounted for in the year of assessment. Also interest liability for the delay payment of the statutory dues, if any, has been accounted for in the year in which the same are being paid.

III. Balances of Debtors & Creditors & Loans & Advances taken & given are subject to confirmation and are subject to consequential adjustments, if any. Debtors & creditors balances has been shown separately and the advances received & paid from/to the parties is shown as advance from customers and advance to suppliers.

IV. **Micro, Small & Medium Enterprises :**
The company has amount due to suppliers under Micro, Small and Medium Enterprises Development Act 2006 (MSMED). The following information has been given in respect to such suppliers who have identified themselves as "Micro, Small & Medium Enterprises" under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at the year ended:

(₹ in Millions)

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Outstanding Amount	88.31	0.87	5.55

As per the management the company is holding the term sheet with many of such supplier for which the payment terms are agreed with them for over and above the period of 45 days. There is overdue outstanding amount of such suppliers for which no interest provision has been made. As per the management such provision has not been made because as the same is mutually agreed by the parties as per their term sheet of payment towards the supplies made by them. Whereas there is overdue outstanding amount of Rs 32.64 Millions for which no such agreement exist and also the provision for interest has not been made in the financial statement for the year ended 31st March 2023. As per management there are no MSME registered parties with whom the company has any dispute related to the overdue outstanding amount and the amount so outstanding is due to various business issues & compliances in normal course and the same shall be settled with due course of time.

V. As per information available, the group has no transactions which are not recorded in the books of accounts and which are surrendered or disclosed as income during the reported years in the tax assessment or in search or survey or under any other relevant provisions of the Income Tax Act, 1961.

VI. Title deeds of all the immovable properties held by the group are in the name of the company. No revaluation of the property, plant and equipment's and intangible assets held by the group were done during the reported years, as the management is in the opinion that the same is not material and the same will be reviewed in the subsequent period. Further the group is not holding any leased assets which is required to be disclosed separately.

VII. The group has not been declared as willful defaulter by any bank or financial Institution or any other lender during the reporting period.

VIII. The consolidated restated financial statements have been authorized for issue by the board of directors on dated 12th July 2023.

IX. All amounts disclosed in the consolidated financial statements and notes have been rounded off to INR in millions and decimal thereof as per the requirements of schedule III to the companies act, 2013, unless otherwise stated.

X. The holding company has declared dividend for the FY 2021-22 in the Annual General meeting of the company held on 3rd September 2022. The dividend so declared has been accounted and adjusted from the accumulated brought forward balance of the profit & loss account.

XI. EVENTS AFTER REPORTING PERIOD :
In the annual general meeting of the company held on 8th July, 2023, the company has declared final dividend of ₹ 0.20/- per fully paid up equity share of ₹ 2/- each for the financial year ended March 31, 2023.

XII. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Notes from "1 " to " 46 " form an integral part of the Accounts.

As per our Report of even date attached

FOR SHWETA JAIN & CO
CHARTERED ACCOUNTANTS
F.R.N. : 127673W

PRIYANKA JAJU
(Partner)
Membership No : 416197
Place : Mumbai
Dated : 12th July 2023
UDIN No : 23416197BGWGGY7637

For and on behalf of the Board

ASAD DAUD
(MANAGING DIRECTOR)
(DIN-02491539)

MUSTAFA A KACHWALA
WHOLETIME DIRECTOR
(DIN-03124453)

KINJAL SHAH
COMPANY SECRETARY
(M.No : A58678)

OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company and our subsidiary, Aeroflex Industries Limited (UK), in accordance with the SEBI ICDR Regulations, for the years ended March 31, 2023, March 31, 2022, and March 31, 2021, together with all the annexures, schedules and notes thereto (collectively, the "Standalone Financial Statements") are available at www.aeroflexindia.com. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Standalone Financial Statements do not constitute, (i) a part of this 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 Standalone Financial Statements and the reports thereon should not be considered as part of information that any investor should consider in order to subscribe for or purchase any securities of our Company, its Subsidiaries or any entity in which it or its shareholders have significant influence (collectively, the "Group") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, the BRLM 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 Standalone Financial Statements, or the opinions expressed therein.

The details of accounting ratios derived from our Restated Consolidated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below:

(₹ in million except per share data or unless otherwise stated)

Particulars	As on/For the year ended March 31, 2023	As on/For the Year ended March 31, 2022	As on/For the Year ended March 31, 2021
Revenue from operations	2694.61	2,408.00	1,447.74
Total income	2694.78	2,409.92	1,448.35
Total Equity (A)	1140.93	862.23	587.17
Restated Profit for the year attributable to equity shareholders (B) [1]	301.52	275.06	60.11
Return on Net worth (C) = (B / A) (%) [2]	**26.43%**	**31.90%**	**10.24%**
Restated Profit for the year attributable to equity shareholders (D) [1]	301.52	275.06	60.11
Weighted average no. of equity shares for Basic EPS (E) [3]	114.32	114.32	114.32
Weighted average no. of diluted equity shares for Diluted EPS (F) [3]	114.32	114.32	114.32
Basic Earnings Per Share (EPS) (G)= (D / E) [4]	**2.64**	**2.41**	**0.53**
Diluted Earnings Per Share (EPS) (H)= (D / F) [5]	**2.64**	**2.41**	**0.53**
Total Equity (I)	1140.93	862.23	587.17
Number of equity shares outstanding at the end of the period / year, after adjustment of bonus issue and sub division (J) [3]	114.32	114.32	114.32
Net Assets Value (NAV) per Share (I / J) [6]	**9.98**	**7.54**	**5.14**
EBITDA [7]	**540.33**	**466.92**	**223.35**
EBITDA Margins (%) [8]	**20.05%**	**19.39%**	**15.43%**

The ratios have been computed as under:

1. *Restated Profit for the year attributable to equity shareholders does not include other comprehensive income;*

2. *Return on Net Worth (%) = Net Profit after tax, as restated for the end of the year/ period divided by Net worth as at the end of the year/period;*

3. *Pursuant to a resolution passed at the general meeting of shareholders dated February 15, 2023, our Company approved to sub-divide each equity share of face value of ₹ 10 each into 5 equity shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up capital of the Company was subdivided from 2,28,64,074 equity shares of face value of ₹ 10 each to 11,43,20,370 equity shares of face value of ₹ 2 each. The impact of sub-division of shares is retrospectively considered for the computation of weighted average number of equity shares, earnings per share and net asset value per equity share as per the requirement / principles of Ind AS 33, as applicable, in this chapter and across this Prospectus.*

4. *Basic EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year/ period. (as adjusted for change in capital due to sub-division of shares);*

5. *Diluted EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of diluted equity shares outstanding during the year/ period (as adjusted for change in capital due to sub-division of shares);*

6. *Net Asset Value per share = Net Worth at the end of the year/period divided by total number of equity shares outstanding at the end of year/ period (as adjusted for change in capital due to sub-division of shares);*

7. *EBITDA= sum of (i) profit for the period/year, (ii) tax expense, (iii) finance costs, and (iv) depreciation and amortisation expenses, less other income. However, it does not include the impact of extraordinary and exceptional items*

8. *EBITDA Margin= EBITDA divided by revenue from operations;*

9. *Weighted average number of shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of shares issued during the period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period;*

10. *Total Equity / Net worth means the aggregate value of the paid-up share capital and other equity.*

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 - Related Party Disclosures read with the SEBI ICDR Regulations, for the Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021, see "*Note 41 Related Party Transaction*" on page F-44, under the chapter titled "*Restated Consolidated Financial Statements*" beginning on page 222 of this RHP.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at March 31, 2023, derived from our Restated Consolidated Financial Statements, and as adjusted for the Issue. This table should be read in conjunction *with "Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations"*, beginning on pages 222 and 226 of this Prospectus.

(*₹ in million*)

Particulars	Pre-Issue as at March 31, 2023	Post Issue
Borrowings		
Current Borrowings (excluding current maturities of non-current borrowings) (A)	70.56	70.56
Non-current Borrowings (including current maturities of non-current borrowings) (B)	379.50	379.5
Total Borrowings (C) = (A)+(B)	450.06	**450.06**
Equity		
Equity Share Capital (D)	228.64	129.32
Other Equity (E)	912.29	2744.2
Total Equity (F)= (D)+(E)	1140.93	2873.6
Total Borrowings/ Total Equity (C)/(F)	0.39	**0.16**
Non-Current Borrowing/Total Equity (B)/(F)	0.33	**0.13**

Notes:

1. The amounts disclosed above are derived from Restated Consolidated Financial Statements of our Company. The corresponding post-Issue capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.

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FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of all the borrowings of our Company together with a brief description of certain significant terms of the financing arrangements entered into with the banks/ financial institutions. As on July 31, 2023 our total outstanding borrowing was ₹394.42 million. Our Subsidiary has not availed any secured or unsecured loans as on the date of this Prospectus.

Our Company has, pursuant to an Extra Ordinary General Meeting held on May 20,2022, resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, such sum or sums of moneys as the Board may deem fit for the purpose of the business of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), in excess to the aggregate of the paid – up capital of our Company and its free reserves, provided that the total amount of money/moneys borrowed by the Board of Directors and outstanding at one time shall not exceed ₹ 2,000 million.

SECURED BORROWINGS

Below are the details of secured loans availed by our Company and outstanding as on July 31, 2023:

(₹ in million)

Sr. No	Name of the Lender	Purpose of credit Facility	Date of Sanction/ Renewal	Sanctioned Amount	Rate of Interest	Repayment Schedule	Prime Securities offered	Outstanding amount as on July 31, 2023
1.	Kotak Mahindra Bank Limited ("**Kotak**")	**Term Loan**						
1.1		Foreign Currency Term Loan	Renewed on September 2, 2022	165.10	Floating at LIBOR + 4.25%	60 months	C, D, E	93.57
1.2		Further Foreign Currency Term Loan	Sanctioned on September 2, 2022	165.00	EURIBOR + 5.75%	60 months including moratorium of 6 months	C, D, E	179.76
1.3		Working Capital Term Loan (GECL UNDER ECLGS SCHEME)	Renewed on September 2, 2022	76.70	Interest rate shall be fixed over the tenure of the facility at 7.65% p.a.	48 months (including the 12 month moratorium period)	A, B, C	48.80
2.	Kotak Mahindra Bank Limited	**Bus Loan**	Sanctioned on March 22, 2021	2.63	9.48%	59 months	F	1.57
3.	Kotak Mahindra Bank Limited	**Car Loan**	Sanctioned on February 5, 2021	3.00	7.57%	36 months	G	0.73
		Total		**412.43**				**324.42**

List of Securities:

Sr. No	Particulars
A.	Second charge by way of hypothecation on all existing & future current assets of or Company.
B.	Second charge by way of hypothecation on plant & machinery locate at 41 & 42/13, 42/14, 42/18 at Village Chal near Taloja, MDC.Ghot Camp, Taluka Panvel, District Raigad, Navi Mumbai, Maharashtra, India.
C.	First & exclusive charge by way of Mortgage on the land, building and structures of the Company. (All that piece & parcel of property bearing (i) Gat No. 41 adms, 109.2 guntas equivalent to 2.73 acres, (ii) Gat No. 42/13 adms, 65.30 guntas equivalent to 1.63 acres, (iii) Gat No. 42/14 adms 103.7 guntas equivalent to 2.59 acres & (iv) Gat No. 42/18 adms, 52.50 guntas equivalent to 1.31 acres, all situated at village; Chal Taluka: Panvel, District; Raigad, Maharashtra, India.
D.	First & exclusive charge by way of hypothecation on all present & future Current & fixed (Movable & immovable)
E.	First & exclusive by way of hypothecation on P&M locate at 41 & 42/13, 42/14, 42/18 at Village Chal Near Taloja, MDC.Ghot Camp, Taluka Panvel, District Raigad, Navi Mumbai, Maharashtra, India.
F.	Hypothecation of motor car
G.	Hypothecation of motor bus

Corporate Guarantee: Corporate Guarantee has been provided by our Promoter, Sat Industries Limited for the term loan availed from Kotak.

Affirmative Covenants for the term loan availed from Kotak Mahindra Bank Limited:

- The Company shall keep Kotak informed of the happenings of an event likely to have substantial effect on their stock, production, sales, profits, etc. and such changes in the senior management, go-down location, labour problems, happenings in the associate concerns, etc.
- The Company shall obtain and keep alive all statutory approvals required for the business and also ensure that there are no pending/ overdues/ arrears in this regard.
- The Company to route their entire banking business including deposits, foreign exchange business and bill business only with Kotak.
- Kotak reserves the right to increase the interest rate on the sanctioned facilities.
- Kotak reserves the right at any point of time, to revoke or cancel the facilities sanctioned and/ or alter, modify or rescind, amend or change any one or more of the terms and conditions of the sanctioned facility with such notice as Kotak may deem reasonable and without assigning any reasons.

Negative Covenants for the term loan availed from Kotak Mahindra Bank Limited:

- Company shall not allow any payout by way of salary to directors/ partners (other than professional directors) or by way of interest to other subordinated lenders or by way of dividend to shareholders in case of delay or default in the repayment of the facilities.
- Company to obtain prior permission from Kotak for raising any further loans/ availing any facilities from any other bank or institution.
- Company to obtain prior permission from the Kotak to effect change in shareholding/ directorship/ ownership.

UNSECURED LOANS

Below are the details of unsecured borrowings availed by our Company as on July 31, 2023:

Name of the Lender	Outstanding amount in ₹ million
DA Tradetech Private Limited	70.00

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations, and our assessment of the factors that may affect our prospects and performance in future periods, together with our Restated Consolidated Financial Statements for the Fiscals 2023, 2022 and 2021, including the notes thereto and reports thereon, each included in this RHP.

This Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward looking statements as a result of various factors, including those described below and elsewhere in this Prospectus. For further information, see "Forward-Looking Statements" on page 27. Also read "Risk Factors" on page 37, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2023, 2022 and 2021included herein is derived from the Restated Consolidated Financial Statements, included in this Prospectus. For further information, see "Restated Consolidated Financial Statements" on page 222.

Our Company's Fiscal commences on April 01 and ends on March 31 of the immediate subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless the context otherwise requires, in this section, references to "we", "us", "our", "our Company" or "the Company", refers to Aeroflex Industries Limited.

Unless otherwise indicated, industry and market data used in this section has been derived from the Flexible Flow Solutions Market in India dated March 29, 2023 issued by D&B and commissioned and paid by us in connection with the Offer.

Overview

We are manufacturers and suppliers of environment friendly metallic flexible flow solution products including braided hoses, unbraided hoses, solar hoses, gas hoses, vacuum hoses, braiding, interlock hoses, hose assemblies, lancing hose assemblies, jacketed hose assemblies, exhaust connectors, exhaust gas recirculation (EGR) tubes, expansion bellows, compensators and related end fittings collectively known as flexible flow solutions catering to global as well as domestic markets. We export our products to more than 80 countries including Europe, USA and others. For Fiscals 2023,2022 and 2021 our exports were ₹2,171.80 million, ₹2,035.59 million and ₹1,171.15 million which constituted 80.60%, 84.53%, and 80.90% of our revenue from operations respectively .We supply our products to a wide spectrum of industries for controlled flow of all forms of substances including air, liquid and solid. For the Fiscals March 31, 2023, 2022 and 2021, we served total 723, 606 and 538 customers out of which we served 217, 190 and 169 customers across 51, 49 and 43 countries respectively and 506 , 416 and 369 domestically.

Significant Factors Affecting Our Results of Operations

Cost and Availability of Raw Materials and Dependence on Key Suppliers

Our key raw materials are stainless steel coils of various grades, stainless steel wires and fittings made of various materials. Our cost of goods sold comprises of cost of materials consumed and changes in inventories of finished goods. For the Fiscals ended March 31, 2023, 2022 and 2021, our cost of goods sold was ₹ 1700.64 million, ₹ 1,560.62 million, ₹ 935.57 million respectively constituting 63.11%, 64.81%, and 64.62% of our revenue from operations. Our results of operations and financial conditions are significantly dependent on the availability and cost of raw materials specifically stainless steel coils and stainless steel wires.

We procure majority of stainless steel coils from international markets where we have maintained strong relationships with the suppliers over the period. We fulfill our demand for stainless steel coils from Indian market also. We procure stainless steel wires and fittings made of various materials including stainless steel, polytetrafluoroethylene, and other materials from Indian and international markets. For the Fiscals ended March

31, 2023, 2022 and 2021, our raw materials purchase from out of India as a % of total raw material purchases were 45.22%, 45.81% and 47.10% respectively.

We do not enter into long term sourcing contracts with our suppliers and all our purchases are based on individual purchase orders placed with our suppliers. Prices are negotiated for each purchase order with the respective supplier. While selecting our suppliers, we consider cost, grade, quality, time to fulfill, supplier's history and experience and capacities. We are significantly dependent on few raw material suppliers and are sourcing of raw material from top 5 suppliers for the Fiscal ended March 31, 2023 and March 31, 2022 was 75.24% and 75.11% respectively. Also, our raw materials 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 inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Any volatility in prices of stainless steel can significantly affect our raw material costs. However, our Company continuously tracks the changes in raw material prices and adopts stricter measures to address such fluctuations. Our raw materials inventory was equal to 46 days of consumption as on March 31, 2023 based on our restated consolidated financial statements. If we are not able to compensate for or pass on our increased costs to customers, such price increases could have a material adverse impact on our result of operations, financial condition and cash flows.

Our finished products are tested by our in-house testing team through various processes and thereafter by the customer, pursuant to which, we strive to minimise the probability of defects in such products; however, in the event, delivered materials are defective on account of any unforeseen circumstances such as including any accident or damage during transit or adverse weather conditions, we might face warranty and damages claims from our customers. Production errors may lead to product recalls which could also lead to compensation claims and significantly damage our reputation and the confidence of present and potential customers and could have an adverse effect on our results of operations.

Dependency on end-se Industries

Our revenues are dependent on the end-use industries that use our products for their various requirements and usages. The following table sets forth a breakdown of our revenue from operations from various industry segments, in absolute terms and as a percentage of total revenue from operations, for the periods indicated:

(*₹ in million*)

Industry / Sector	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Revenue	%	Revenue	%	Revenue	%
Steel	576.81	21.96	509.51	21.72%	381.79	27.16%
Oil and l Gas	497.39	18.93	375.31	16.00%	200.19	14.24%
Refineries	432.17	16.45	316.67	13.50%	171.59	12.21%
Fire Sprinklers & Fire Fighting	430.79	16.40	572.10	24.39%	285.99	20.35%
Chemicals & Petrochemicals	412.39	15.70	351.85	15.00%	228.79	16.28%
Metals & Mining	215.18	8.19	159.61	6.80%	111.96	7.97%
Solar	17.14	0.65	-	-	-	-
Others	45.33	1.73	60.63	2.58%	25.24	1.80%
Total	**2627.20**	**100.00**	**2345.68**	**100%**	**1405.56**	**100%**

The demand for the end products manufactured by our customer is affected by a number of factors including, but not limited to (a) our customers' failure to successfully market their products or to compete effectively, (b) loss of market share, which may lead our customers to reduce or discontinue the purchase of our products, (c) economic conditions of the markets in which our customers operate, and (d) global macroeconomic conditions, among others. Further, many of our end user industries are subject to various applicable regulations. Therefore, our results of operations are dependent on demand from the end-user industries. Any decrease in demand in those industries may result in increased inventories which may lead to increase in holding costs thereby impacting our results of operations and financial condition.

Foreign Exchange Fluctuation Risk

A significant portion of our revenue from operations is derived from export of our products. Similarly, majority of our raw material requirements are fulfilled from imports. This gives us significant exposure to foreign currencies for buying and selling while we prepare our financial statements in Indian Rupees. For the Fiscals ended March 31, 2023, 2022 and 2021, our revenue from operations from exports were ₹ 2171.80 million, ₹ 2,035.59 million and ₹ 1,171.15 million respectively, representing 80.60%, 84.53% and 80.90% of our revenue from operations based on our restated consolidated financial statements. Similarly, for the Fiscals ended March 31, 2023, 2022 and 2021, our raw materials purchase from out of India as a % of total raw material purchases were 45.22%, 45.81% and 47.10% respectively. We do not hedge our foreign currency exposure for buying and selling various foreign currencies. Accordingly, we are affected by fluctuations in exchange rates among the U.S. Dollar, Indian Rupees and other foreign currencies. For the Fiscals ended March 31, 2023, 2022 and 2021, we recorded foreign currency exchange gains of ₹ 53.13 million, ₹ 32.37 million and ₹ 19.21 million respectively, due to fluctuations in foreign exchange rates. There can be no assurance that we will continue to record exchange gains only from foreign exchange fluctuations or any hedging measures which we may take will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies.

Presentation of Financial Information

Our Restated Consolidated Ind AS Summary Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, and the Restated Consolidated Ind AS Summary Statement of Profit and Loss (including other comprehensive income), Cash Flows and Changes in Equity, for the Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021, together with the summary of significant accounting policies and explanatory information thereon (collectively, the "Restated Consolidated Financial Statements"), have been derived from our Audited Consolidated Financial Statements as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with Ind AS, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended.

NOTE 2: SIGNIFICANT ACOUNTING POLICIES

Significant accounting policies adopted by the Group are as under:

2.1 Basis of Preparation of Financial Statements:

a) Statement of Compliance with Ind AS :

These financial statements have been prepared in accordance with Indian Accounting Standards (referred as Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, as amended from time to time. The financial statements have been prepared in accordance with the relevant presentation requirement of the companies Act, 2013.

b) Basis of Preparation:

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis, except for certain financial assets and liabilities that are measured at fair value at the end of each reporting period as explained in the accounting policies. Historical cost is generally based on the fair value of the considerations given in exchange for goods and services. Fair value is the price that would be received to sale an assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The financial statements are presented in Indian Rupee (INR), which is the functional currency of the holding company. The functional currency of the foreign subsidiary is the currency of the primary economic environment in which the entity operates. The recorded foreign currency transactions of the foreign subsidiary, which are forming part of its profit & loss account has be translated at the average exchange rate for the year. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gain and loss arising prevailing on the settlement and restatement are recognized in the profit & loss account. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies and are not been retranslated. The significant accounting policies used in preparation of the financial statement are discussed in the respective notes. All amounts disclosed in financial statements and notes have been rounded off to the INR in Millions with two decimal, unless otherwise stated.

c) Current or Non-current classification

All assets and liabilities has been classified as current and noncurrent as per the group's normal operating cycle. An asset is classified as current when it is:

i) Expected to be realized or intended to be sold or consumed in normal operating cycle.
ii) Expected to be realized within twelve months after the reporting period. Or
iii) 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 the other assets are classified as non-current.

A liability is classified current when

i) It is expected to be settled in normal operating cycle;
ii) It is due to be settled within twelve months after the reporting period; or
iii) 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 respectively.

d) Use of estimates and judgements:

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Property, plant and equipment and Other intangible assets:

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Recognition and measurement:

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the Property, plant and equipment until it is ready for use, as intended by the management. 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 derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the period.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as advances under other current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work- in- progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Depreciation methods, estimated useful lives:

Depreciation is provided by the holding company (other than Free hold Land and capital work-in-progress) on Written Down Value (WDV) method for the estimated useful life of assets. The estimated useful lives of assets are as follows:

Type of Assets	Period of useful life of Assets
Factory Building	30 Years
Addition to factory Building for the year	10 Years
Server and Networks	6 Years
Plant & Machinery	25 Years
Computer	3 Years
Vehicles	6 Years
Workshop Tools & Equipment	8 Years
Testing Equipment's	5 Years
Office Equipment	5 Years
Electrical Installation	5 Years
Furniture & Fixtures	10 Years

Fixed Assets purchased for specific projects will be depreciated over the periods of the project or the useful life stated as above, whichever is shorter.

Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement.

The economic useful life of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

Impairment:

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the net selling price and its value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

3.2 Other Intangible Assets :

Intangible assets which are forming part of the holding company balance sheet are stated at acquisition cost, net of accumulated amortization. The Company amortized intangible assets over their estimated useful lives using the Written Down method. The estimated useful lives of intangible assets are as follows: Computer Software 6 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year ended or period ended.

3.3 Investments :

The Group do not have any categorized investment other than the investment by the holding company in its foreign subsidiary which has been shown at the historical cost in the books of holding company and the same has been nullified on consolidation of the Balance sheets.

3.4 Foreign Currency Transactions:

a) Functional and presentation currency :

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR) in Lakhs, which is the holding Company's functional and presentation currency.

b) Transactions and balances :

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount at the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognized in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognized in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Foreign exchange fluctuation for the outstanding amount towards the imported capital goods, has been attributed to the cost of the fixed assets. Further the foreign exchange fluctuation for the outstanding amount of the foreign currency term loan has been shown separately under the exceptional item in the profit & loss account consistently.

3.5 Revenue Recognition :

The Group recognizes revenue from contracts with customers based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable. Revenue from the sale of goods in the course of ordinary activities is recognized at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The goods are considered as 'transferred' when the customer obtains control of those goods or as per the specific terms with customers for the supplies made by the company.

Sale of services & Other Operating Revenue:

Revenue from services are recognized in the accounting period in which service are rendered. For fixed price contracts, revenue is recognized based on actual services provided to the end of the reporting period as a proportion of the total services to be provided. As the company has material export & import activates therefore Profit and gains from the foreign exchange fluctuation from the receipts & payments of debtors & creditors and on their restatement at the period ended is forming part of the other operating revenue of the group.

Other Income:

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably in the group. Interest income is accrued on a time basis, by reference to the principal outstanding and at the normal interest rate as applicable. Other Income in the group has been recorded where no significant uncertainty as to measurability or collectability exists.

3.6 Taxation :

The group has two major tax jurisdictions, which is in India and the US and the group Companies file tax returns in India and other overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. In assessing the realizability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in Other Comprehensive Income.

Current Tax:

The current Tax payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using the tax rates that have been enacted or substantially enacted by the end of the reporting period.

Provisions for current income taxes are presented in the balance sheet after offsetting advance tax & TDS paid. The holding company has adopted the Taxation bracket where in the MAT liability do not attract to the company and has done the provisions accordingly where as for the subsidiary company the rules of the overseas country are adopted.

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 statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the end of the period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses 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 and deferred tax for the period:

Current and deferred tax are recognized by the group in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. No deferred tax provisions has been made for the undistributed gains or losses of the subsidiary company.

3.7 Business Combinations:

The group account for its business combinations under acquisition method of accounting. The holding company has acquired equity in its foreign subsidiary directly on its incorporation therefore no other cost or valuation for the same required on acquisition. The additional equity investment made by the holding company in the equity of the subsidiary company during the period ended has been made at par and also such Business combination arising on transfer of the interest in the entities that are under common control and has accounted at historical cost.

3.8 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Interest income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

3.9 Provisions :

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

When some or all of the economic benefits required to settle, provisions are expected to be recovered from a third party, a receivable is recognized as an asset it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.10 Contingent liabilities and contingent assets :

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not accounted in the financial statements unless an inflow of economic benefits is probable.

3.11 Financial instruments:

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

FINANCIAL ASSETS:

Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or
b) at fair value through other comprehensive income; or
c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. These include trade receivables, loans, deposits, balances with banks, and other financial assets with fixed or determinable payments.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Impairment:

The group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, other contractual right to receive cash or other financial assets not designated at fair value through profit or loss. The loss allowance for a financial instrument is equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increase significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within 12 months after the reporting date.

For trade receivables or any contractual right to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. The Company has used a practical expedient permitted by Ind AS 109 and determines the expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

De-recognition:

The group derecognizes financial asset when the contractual right to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income, if any, is recognized in the Statement of Profit or Loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of the financial asset.

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 amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Classification

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into 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 group are recognized at the proceeds received.

Subsequent measurement

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 recognized in the Statement of Profit and Loss.

Financial liabilities (that are not held for trading or not designated at fair value through profit or loss) are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost, are determined based in the effective interest method.

Effective interest method is a method of calculating amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses for assets & liabilities:

Financial Assets and liabilities denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in the Statement of Profit or Loss.

The fair value of financial Assets and liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial Assets and liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in the Statement of Profit and Loss except in case of the amount outstanding to creditors towards the fixed assets purchased in earlier years and amount is outstanding payable, in that case every year the difference in the exchange fluctuation has been adjusted towards the cost of the fixed assets so purchased and has uniformly followed the practice.

De-recognition :

Financial assets liabilities are derecognized when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial assets and liability and recognition of a new financial assets and liability. Similarly, a substantial modification of the terms of an existing financial assets and liability is accounted for as an extinguishment of the original financial assets and liability and the recognition of a new financial assets and liability. The difference between the carrying amount of a financial assets and liability is derecognized and the consideration paid or payable is recognized in the Statement of Profit or Loss.

3.12 Employee Benefits :

Short-term Employee Benefits:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Post-employment benefits

a) Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. Payments to defined contribution retirement plans are recognized as expenses when the employees have rendered the service entitling them to the contribution

Provident fund: The employees of the holding Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are made to the provident fund and pension fund administered by the Regional Provident Fund Commissioner. The Company recognizes such contributions as an expense when incurred.

b) Defined benefit plans

The defined benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Gratuity: The holding Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company has made payments for the annual applicable gratuity liability to LIC gratuity Scheme where the gratuity liability will be paid to the employees by LIC when the same is due to pay. The liability for the defined gratuity benefit plan is provided on the basis of actuarial valuation carried out by Life Insurance corporation of India.

3.13 Inventories :

Inventories are valued at after reviewing the cost and net realizable value considering the various other related parameters and uniformity of the valuation. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packaging materials and stores and spare parts are valued at after reviewing the cost and net realizable value considering the various other related parameters and uniformity of the valuation. Cost includes purchase price, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used. Work in progress, manufactured finished goods and traded goods are valued at cost of production till the date work completed. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis. Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.

3.14 Cash and cash equivalents:

Cash and cash equivalents comprise cash in hand and short-term deposits with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.15 Earnings Per Share :

The group reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares (except where the results are anti-dilutive).

NOTE 4. Significant accounting judgments, estimates and assumptions :

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and 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.

The key assumptions concerning the future and other key sources of estimation uncertainty at the period ended, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) <u>Impairment of property, plant and equipment</u> :

Determining whether property, plant and equipment is impaired requires an estimation of the value in use of the cash-generating unit. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. When the actual future cash flows are less than expected, a material impairment loss may arise. property, plant and equipment which are out dated or not in use are impaired and shown at the net releasable value and difference to the written down value and net releasable value is transferred to profit & loss account for the year.

b) <u>Useful lifes of property, plant and equipment:</u>

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

c) <u>Provision for litigations and contingencies:</u>

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount. Due to the judgements involved in such estimations the provisions are sensitive to the actual outcome in future periods

d) <u>Recognition of Deferred Tax Assets :</u>

The extent to which deferred tax assets can be recognized is based on an assessment of the profitability of the Group Company’s future taxable income against which the deferred tax assets can be utilized. The holding Company has identified and has also recognized deferred tax for the Depreciation difference. Groups other entity provisions has been adjusted from their standalone financials and the net effect of the same has been taken in Balance Sheet.

NOTE 46: <u>OTHER NOTES:</u>

I. In the opinion of the Board of Directors of the group, the current assets are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities are adequate and are not in excess of the amount considered reasonably necessary. Sundry debtors and creditors balances which are not receivable or payable due to the operational reasons, has been written off or written back during the reporting period/year and accounted accordingly.

II. Additional liability if any, arising pursuant to respective assessment under various fiscal statues, shall be accounted for in the year of assessment. Also interest liability for the delay payment of the statutory dues, if any, has been accounted for in the year in which the same are being paid.

III. Balances of Debtors & Creditors & Loans & Advances taken & given are subject to confirmation and are subject to consequential adjustments, if any. Debtors & creditors balances has been shown separately and the advances received & paid from/to the parties is shown as advance from customers and advance to suppliers.

IV. **Micro, Small & Medium Enterprises** :

The company has amount due to suppliers under Micro, Small and Medium Enterprises Development Act 2006 (MSMED) as at March 31, 2023. The following informations has been given in respect to such suppliers who have identified themselves as "Micro, Small & Medium Enterprises" under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED):

(₹ in Millions)

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Outstanding Amount	88.31	0.87	5.55

As per the management the company is holding the term sheet with many of such supplier for which the payment terms is agreed for over and above the period of 45 days. There are overdue outstanding amount for such suppliers for which no interest provision is made. As per the management such provision has not been made because as the same is mutually agreed by the parties as per their term sheet of payment towards the supplies made by them. Whereas there is overdue outstanding amount of ₹32.64 Million's for which no such agreement exist and also the provision for interest has not been made in the financial statement for the year ended March 31, 2023.

V. As per informations available, the company has no transactions which are not recorded in the books of accounts and which are surrendered or disclosed as income during the during the year ended 31st March 2021, 2022 & 2023 in the tax assessment or in search or survey or under any other relevant provisions of the Income Tax Act, 1961.

VI. Title deeds of all the immovable properties held by the group are in the name of the company. No revaluation of the property, plant and equipment's and intangible assets held by the group were done during the previous year, as the management is in the opinion that the same is not material and the same will be reviewed in the subsequent years. Further the group is not holding any leased assets which is required to be disclosed separately.

VII. The company has not been declared as willful defaulter by any bank or financial Institution or any other lender during the reporting period.

VIII. The consolidated restated financial statements has been authorized for issue by the Board of Directors on dated 12th July 2023.

IX. All amounts disclosed in the consolidated restated financial statements and notes have been rounded off to the nearest millions and decimal thereof as per the requirements of Schedule III to the Companies act, 2013, unless otherwise stated.

X. The holding company has declared dividend for the FY 2021-22 in the Annual General meeting of the company held on September 16, 2022. The dividend so declared has been accounted and adjusted from the accumulated brought forward balance of the profit & loss account.

XI. **EVENT AFTER REPORTING PERIOD:**

In the Annual General Meeting of the Company held on 8th July, 2023 the Company has declared final dividend of ₹0.20/- per fully paid up equity share of face value ₹2/- each for the financial year ended March 31, 2023.

XII. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure in the restated financial statement.

Notes from "1" to " 45 " form an integral part of the Accounts.

Key Performance Indicators and Non-GAAP Financial Measures

In addition to our financial results determined in accordance with Ind AS, we consider and use certain non-GAAP financial measures and key performance indicators that are presented below as supplemental measures to review and assess our operating performance. Our management does not consider these non-GAAP financial measures and key performance indicators in isolation or as an alternative or substitutive to the Restated Consolidated Financial Information. We present these non-GAAP financial measures and key performance indicators because we believe they are useful to our Company in assessing and evaluating our operating performance, and for internal planning and forecasting purposes. We believe these non-GAAP financial measures could help investors as an additional tool to evaluate our ongoing operating results and trends with a more granular view of our financial performance. The Profit After Tax of our Company increased from ₹60.11 million in Fiscal March 31, 2021 to ₹301.52 million in Fiscal March 31, 2023 majorly due to increase in revenue from operations leading to economics of sale, changes in inventories of work in progress and finished goods and significant decrease in finance cost.

(except rations and percentages, all figures are in ₹ million)

Particulars	As at for the fiscal year ended March 31,		
	2023	2022	2021
Revenue from Operations [1]	2694.61	2,408.00	1,447.74
Total number of customers served (Nos.) [2]	723	606	538
Total capacity utilisation (%) [3]	83.16%	90.41%	71.01%
Exports revenue as % of revenue from operations [4]	80.60%	84.53%	80.90%
Foreign currency gain / (loss) [5]	53.13	32.37	19.21
Cost of goods sold as % of revenue from operations [6]	63.11%	64.81%	64.62%
EBITDA [7]	540.33	466.92	223.35
EBIT [8]	488.14	425.08	185.57
PAT [9]	301.52	275.06	60.11
EBITDA Margin [10]	20.05%	19.39%	15.43%
PAT Margin [11]	11.19%	11.41%	4.15%
Net Worth [12]	1140.93	862.23	587.17
Total Borrowings [13]	450.06	391.27	530.68
Return on Equity (ROE) [14]	26.43%	31.90%	10.24%
Return on Capital Employed (ROCE) [15]	31.91%	36.29%	17.13%
Earnings per Share (EPS) [17]	2.64	2.41	0.53
Net Asset Value (NAV) per Share [18]	9.98	7.54	5.14
Debt to Equity Ratio [19]	0.39	0.45	0.90
Fixed Asset Turnover Ratio [20]	4.85	5.26	3.37

Notes:

1. Revenue from Operations = Sum of revenue from sale of products and other operating revenue as per the Restated Consolidated Financial Information

2. Total number of unique customers served during the period from sale of products

3. Total production of all types of hoses, braiding and assemblies during the period divided by the installed capacity during that period

4. Total revenue from exports as a % of revenue from operations during the period. Historically, majority of our revenue from operations has been derived from exports hence this is an important metric.

5. Net gain on foreign currency exchange rate fluctuation. Since majority of our revenue is derived in foreign currencies, this is an important metric for our internal reporting purposes.

6. Sum of cost of material consumed and changes in inventories of work in progress & finished goods as a % of revenue from operations. This provides information on the gross margin generated by our Company

7. EBITDA= sum of (i) profit for the period/year, (ii) tax expense, (iii) finance costs, and (iv) depreciation and amortisation expenses, less other income. However, it does not include the impact of extraordinary and exceptional items

8. EBIT = sum of (i) profit for the period/year, (ii) tax expense, and (iii) finance costs, less other income. However, it does not include the impact of extraordinary and exceptional items

9. PAT= profit after tax as per the Restated Consolidated Financial Information

10. EBITDA Margin= EBITDA divided by revenue from operations
11. PAT Margin= Restated Consolidated Profit for the period/year divided by Total Income
12. Net Worth= sum of equity share capital and other equity as per the Restated Consolidated Financial Information
13. Total Borrowings= sum of non-current borrowings and current borrowings
14. Return on Equity= Restated Consolidated Profit for the period/year divided by Net Worth
15. Return on Capital Employed= EBIT divided by Capital Employed
16. Capital Employed = Net Worth + Total Borrowing – Cash and cash equivalents available for free use
17. Earnings Per Share (EPS)= Restated Consolidated profit for the year divided by weighted average number of equity shares during the year / period
18. Net Asset Value per Share is calculated as Net Worth divided by total number of equity shares outstanding as on the last day of the year / period
19. Debt-Equity Ratio is calculated as Total Borrowings divided by Net Worth.
20. Fixed Asset Turnover Ratio is calculated as revenue from operations divided by property, plant and equipment as at the end of the year / period.
21. Pursuant to a resolution passed at the general meeting of shareholders dated February 15, 2023, our Company approved to split each equity share of face value of ₹ 10 each into 5 equity shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up capital of the Company was subdivided from 2,28,64,074 equity shares of face value of ₹ 10 each to 11,43,20,370 equity shares of face value of ₹ 2 each. The impact of split of shares has been retrospectively considered for the computation of earnings per share and net asset value per equity share above, as per the requirement / principles of Ind AS 33, as applicable.

Principal Components of Income and Expenditure

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operations comprises of revenue from (i) sale of products; and (ii) other operating revenue. Sale of products comprises of sale of flexible flow solutions including hoses, assemblies and fittings and braiding in exports and domestic markets. Other operating revenue comprises of sale of scrap, gain on foreign exchange fluctuation and other operating income.

Below is the breakdown of our revenue from operations for the period reported

(₹ in million)

Particulars	For the fiscal ended March 31,		
	2023	**2022**	**2021**
Sale of products			
Exports sales	2,171.80	2,035.59	1,171.15
Domestic sales	433.45	294.28	226.16
Sub-total (A)	2,605.26	2,329.87	1,397.32
Other operating income			
Sale of scrap	21.94	15.81	8.25
Gain on foreign exchange fluctuation	53.13	32.37	19.21
Other operating revenue	14.28	29.96	22.96
Sub-total (B)	89.35	78.13	50.42
Revenue from operations (A)+(B)	**2,694.61**	**2,408.00**	**1,447.74**

Below is the further breakdown of our sale of products reported on a restated consolidated basis, by type of products:

(₹ in million)

Particulars	For the fiscal ended March 31,		
	2023	**2022**	**2021**
Hoses	1,693.01	1,665.11	1.009.99

Particulars	For the fiscal ended March 31,		
	2023	**2022**	**2021**
Assemblies & Fittings	792.55	555.66	339.36
Braiding	105.96	51.76	35.63
Other Products	13.72	57.34	12.33
Revenue from sale of products	**2,605.26**	**2,329.87**	**1,397.32**

Other Income: Our other income comprises of (i) interest income on fixed deposits; (ii) other interest income; (iii) write-back of sundry balances; and (iv) insurance claims.

(₹ in million)

Particulars	For the fiscal ended March 31,		
	2023	**2022**	**2021**
Interest Income			
On fixed deposits designated as amortized cost	0.04	0.06	0.61
On others	0.13	0.47	-
Sundry Balances Written Back (Net)	-	-	-
Insurance Claim	-	1.39	-
Total Other Income	**0.17**	**1.92**	**0.61**

Expenditure

Our expenses comprise of (i) cost of materials consumed (ii) changes in inventories of work in progress and finished goods (iii) Employee benefits expense (iv) finance costs (v) depreciation and amortisation expense and (vi) other expenses.

(i) ***Cost of materials consumed***: Cost of materials consumed comprises of raw materials and packaging materials consumed for production of hoses, braiding, interlocks and assemblies. The primary raw materials involved in manufacturing of our products include stainless steel coils of various grades, stainless steel wires and fittings. It also includes consumption of nitrogen and argon gas. Packaging materials consumed mainly include plywood reel, plywood pallet, pinewood pallet, MS trolly, MS rod, MS patti, MS angles and boxes made of various materials including paper, plywood, pinewood and wooden box.

(ii) ***Changes in inventories of work in progress and finished goods***: Changes in inventories of work in progress and finished goods consist of costs attributable to increase or decrease in inventory levels of work in progress and finished goods in the current fiscal/period over the previous fiscal/period.

(iii) ***Employee benefits expense***: Employee benefits expense consists of (i) salary, wages, bonus and other allowances; (ii) contribution to provident fund and ESI; (iii) gratuity and compensated absences expenses; and (iv) staff welfare expenses.

(iv) ***Finance costs***: Finance costs comprise of (i) interest on borrowings availed from banks, related parties and others; (ii) processing fee and stamp duty on borrowings availed; and (iii) Finance management charges, among others.

(v) ***Depreciation and amortisation expense***: Depreciation and amortisation expense comprises of (i) depreciation on our property, plant and equipment; and (ii) amortisation of intangible assets.

(vi) ***Other expenses***: Other expenses mainly comprise of:

a) repairs and maintenance expenses: relating to regular maintenance of our plant and machineries and factory building;

b) power and fuel expenses: relating to the electricity used for production;

c) export freight, handling & clearing expenses: relating to expenses incurred in the transportation of our finished goods from our facility to customer's delivery locations;

d) freight inward and outward relates to expenses incurred in the transportation of our raw material and other purchases, from suppliers' locations to our factory premises. Freight outward expenses relate to transportation of goods to our customers' locations from our factory premises.

e) insurance expense include employee group health and group term insurance, marine insurance, industrial risk insurance, commercial general liability, cyber-crime insurance, directors' & officers' liability insurance, among others.

f) In addition to the above other expenses include office expense, license and consultancy fees, conveyance, rates and taxes, professional fee, bank charges and commission, other commission, computer expenses, wages, travelling expenses, printing and stationery, testing and calibration and among others.

(vii) ***Exceptional items***:

Our exceptional items include profit / loss on sale of fixed assets, loss on impairment of assets and gain / loss on foreign exchange translation relating to Foreign Currency Term Loan availed by our Company.

(viii) ***Tax expense***:

Our tax expense represents the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by income tax payable for earlier years and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Deferred tax charges or credits and the corresponding deferred tax liabilities or assets are recognized using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled or the asset realized. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax is reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain, as the case may be, to be realized.

Results of Operations information based on the Restated Consolidated Financial Information

The following table sets forth certain information with respect to our results of operations for the Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021, the components of which are also expressed as a percentage of total income for such periods:

Particulars	**For the Fiscal ended March 31,**					
	2023		**2022**		**2021**	
	(₹ in million)	**%**	**(₹ in million)**	**%**	**(₹ in million)**	**%**
Revenue from operations	2,694.61	99.99%	2,408.00	99.92%	1,447.74	99.96%
Other income	0.17	0.01%	1.92	0.08%	0.61	0.04%
Total income	**2,694.78**	**100.00%**	**2,409.92**	**100.00%**	**1,448.35**	**100.00%**

Particulars	For the Fiscal ended March 31,					
	2023		2022		2021	
	(₹ in million)	**%**	**(₹ in million)**	**%**	**(₹ in million)**	**%**
Expenses						
Cost of materials consumed	1878.47	69.71%	1,563.30	64.87%	944.82	65.23%
Changes in inventories of work in progress and finished goods	(177.84)	(6.60%)	(2.68)	(0.11%)	(9.24)	(0.64%)
Employee benefits expense	231.51	8.59%	175.20	7.27%	131.40	9.07%
Finance costs	45.50	1.69%	62.51	2.59%	89.40	6.17%
Depreciation and amortisation expense	52.19	1.94%	41.84	1.74%	37.78	2.61%
Other expenses	222.13	8.24%	205.26	8.52%	157.41	10.87%
Total expenses	**2,251.98**	**83.57%**	**2,045.43**	**84.88%**	**1,351.56**	**93.32%**
Profit before exceptional items and tax	**442.80**	16.43%	364.48	15.12%	96.78	6.68%
Exceptional items	(30.72)	(1.14%)	4.14	0.17%	(16.30)	(1.13%)
Profit before tax	412.08	15.29%	368.62	15.30%	80.49	5.56%
Tax expense:						
Current tax	101.85	3.78%	83.30	3.46%	-	-
Short/ (Excess) provision for earlier years	6.49	0.24%	(0.03)	(0.00%)	-	-
Deferred tax liability/ (assets)	2.22	0.08%	10.29	0.43%	20.38	1.41%
Total tax expense	**110.56**	4.10%	93.57	3.88%	20.38	1.41%
Profit for the period / year	**301.52**	**11.19%**	**275.06**	**11.41%**	**60.11**	**4.15%**
Other comprehensive income	0.04	0.00%	0.01	0.00%	0.03	0.00%
Total comprehensive income for the period / year	**301.57**	**11.19%**	**275.06**	**11.41%**	**60.14**	**4.15%**

Results of operations for the Fiscal 2023 compared with Fiscal 2022

(except percentages, all figures are in ₹ million)

Particulars	For the fiscal ended March 31,		% Change
	2023	2022	
Revenue from operations	2694.61	2,408.00	11.90%
Other income	0.17	1.92	(91.06%)
Total income	2,694.78	2,409.92	11.82%
Expenses			
Cost of materials consumed	1878.47	1,563.30	20.16%
Changes in inventories of work in progress and finished goods	(177.84)	(2.68)	6539.23%
Employee benefits expense	231.51	175.20	32.14%
Finance costs	45.50	62.51	(27.20%)
Depreciation and amortisation expense	52.19	41.84	24.73%
Other expenses	222.13	205.26	8.22%
Total expenses	2,251.98	2,045.43	10.10%

Profit before exceptional items and tax	442.80	364.48	21.49%
Exceptional items	(30.72)	4.14	(842.08%)
Profit before tax	412.08	368.62	11.79%
Tax expense:			
Current tax	101.85	83.30	22.27%
Short/ (Excess) provision for earlier years	6.49	(0.03)	-
Deferred tax liability/ (assets)	2.22	10.29	(78.42%)
Total tax expense	**110.56**	93.57	18.16%
Profit for the year	**301.52**	275.06	9.62%
Other comprehensive income	0.04	0.01	754.52%
Total comprehensive income for the year	**301.57**	275.06	9.63%

Total Income

Our total income in Fiscal 2023 increased by 11.82 % to ₹ 2694.78 million from ₹ 2409.92 million in Fiscal 2022 primarily on account of following:

Revenue from operations

Below is the breakdown of our revenue from operations for Fiscal 2023 and 2022:

Particulars	For the fiscal ended March 31,		% Change
	2023	2022	
Sale of products			
- Export	2171.80	2,035.59	6.69%
- Domestic	433.45	294.28	47.29%
Sub-total (A)	2,605.26	2,329.87	11.82%
Other operating revenue			
Sale of scrap	21.94	15.81	38.81%
Gain on foreign exchange fluctuations	53.13	32.37	64.15%
Other operating revenue	14.28	29.96	(52.33%)
Sub-total (B)	89.35	78.13	14.36%
Total (A+B)	**2,694.61**	**2,408.00**	**11.90%**

Our revenue from sale of products increased by 11.82% to ₹ 2605.26 million in Fiscal 2023 from ₹ 2329.87 million in Fiscal 2022, primarily led by strong demand in our domestic markets where our revenue grew by 47.29% to ₹ 433.45 million in Fiscal 2023 from ₹ 294.28 million in Fiscal 2022. In domestic markets, we served total of 506 customers during Fiscal 2023 as against 416 customers during Fiscal 2022. Similarly, our revenue from exports market grew by 6.69% to ₹ 2171.80 million in Fiscal 2023 from ₹ 2035.59 million in Fiscal 2022. In exports markets, we served total of217 customers during Fiscal 2023 as against 190 served during Fiscal 2022.

Our other operating revenue increased by 14.36% to ₹ 89.35 million in Fiscal 2023 from ₹ 78.13 million in Fiscal 2022 mainly due to increase in revenue from sale of scrap by 38.81%, gain on foreign exchange fluctuations by 64.15% and other operating revenue decreased by 52.33% in Fiscal 2023 over Fiscal 2022.

Other income

Below is the breakdown of our other income and percentage change in Fiscal 2023 over Fiscal 2022:

Particulars	For the fiscal ended March 31,		% Change
	2023	2022	
Interest income			
- On fixed deposits	0.04	0.06	(22.43%)
- On others	0.13	0.47	(72.79%)
Insurance claim	-	1.39	(-100.00%)

Total other income	0.17	1.92	(91.06%)

Our other income decreased by 91.06% to ₹ 0.17 million in Fiscal 2023 from ₹ 1.92 million in Fiscal 2022 mainly due to decrease in other interest income by ₹ 0.34 million, and Interest Income by ₹ 0.02 million. There was no amount pertaining to Insurance claim in Fiscal 2023 as compared to ₹ 1.39 million in Fiscal 2022.

Expenses

Our expenses in Fiscal 2023 increased by 10.10% to ₹ 2,251.98 million from ₹ 2,045.43 million in Fiscal 2022 primarily on account of following:

Cost of materials consumed

Our cost of materials consumed increased by 20.16 % to ₹ 1,878.47 million in Fiscal 2023 from ₹ 1,563.30 million in Fiscal 2022. In line with increase in our revenue from sale of products by 11.82% in Fiscal 2023, our material consumption also showed similar growth. Our cost of material consumed was 69.71% of our total income in Fiscal 2023 compared to 64.87 % in Fiscal 2022.

Changes in inventories of work in progress and finished goods

Change in inventories of work in progress and finished goods were (₹ 177.84) million in Fiscal 2023 as compared to (₹2.68) million in Fiscal 2022. Following table explains the opening and closing inventories of work in progress and finished goods:

(₹ in million)

Particulars	**As on March 31,**		**% Change**
	2023	**2022**	
Work-in –progress	293.59	73.87	297.42%
Finished Goods	30.29	72.17	(58.03%)
Total	**323.88**	**146.05**	**121.77%**

(₹ in million except days of inventories)

Particulars	**For the fiscal ended March 31,**		**% Change**
	2023	**2022**	
Total cost of material consumed	1,878.47	1,563.30	20.16%
Changes in inventories of work in progress and finished goods	(177.84)	(2.68)	(6,539.23%)
Total cost of goods sold	1,700.64	1,560.62	8.97%
*Days of inventories of raw materials**	*46*	*50*	(7.36%)
*Days of inventories of work in progress**	*63*	*17*	264.70%
*Days of inventories of finished goods**	*7*	*17*	(61.48%)

**Days of inventories of raw materials, work in progress and finished goods is a Non-GAAP measure calculated as follows:*
*Days of raw materials = total of inventories of raw material / cost of materials consumed * 365*
*Days of work in progress = total of inventories of work in progress / cost of goods sold * 365*
*Days of finished goods = total of inventories of finished goods / cost of goods sold * 365*
We believe that this additional Non-GAAP information could help investors as an additional tool to evaluate our inventory levels.

Employee benefits expense

Our employee benefits expense increased by 32.14% to ₹ 231.51 million in Fiscal 2023 from ₹ 175.20 million in Fiscal 2022. Below is the breakdown of our employee benefits expense:

(₹ in million)

Particulars	**For the fiscal ended March 31,**	**% Change**

	2023	2022	
Salaries, wages, bonus and other allowances	201.63	154.66	30.37%
Contribution to provident fund and ESI	8.40	6.85	22.63%
Gratuity and compensated absences expenses	8.96	0.49	1740.17%
Staff welfare expenses	12.52	13.21	(5.19%)
Total employee benefits expense	**231.51**	**175.20**	**32.14%**
Employee benefits expense as a % of total income	*8.59%*	*7.27%*	

As on March 31, 2023 there were 383 full time employees in our Company as compared to 328 full time employees as on March 31, 2022 resulting in net addition of 55 employees during Fiscal 2023.

Finance costs

Our finance costs decreased by 27.20% to ₹ 45.50 million in Fiscal 2023 from ₹ 62.51 million in Fiscal 2022 Below is the breakdown of our finance costs:

(₹ in million)

Particulars	For the fiscal ended March 31,		% Change
	2023	2022	
Interest on borrowing ;			
- To Bank	23.47	39.47	(40.53%)
- To Others	4.98	16.64	(70.08%)
Processing Fee & Stamp duty	4.40	1.51	191.71%
Professional Fee (Finance Management Charges)	11.18	4.20	166.24%
Interest Paid to Creditors	1.47	0.68	115.77%
Total finance costs	**45.50**	**62.51**	**(27.20%)**
Total Outstanding Borrowings	**450.06**	**391.27**	**15.02%**

Our total borrowings increased by 15.02% to ₹ 450.06 million as on March 31, 2023 against ₹ 391.27 million as on March 31, 2022. During the Fiscal 2023, our Company had availed certain borrowings which were repaid during the same fiscal and also certain borrowings were availed during the third quarter, accordingly the interest cost was incurred for the proportionate period only for the new borrowings. Additionally, some loans which were repaid in full during Fiscal 2023 had significant portion of principal forming part of the equated monthly installment. This led to a decrease in our finance costs for Fiscal 2023 over Fiscal 2022.

Below is the further breakdown of our borrowings as on March 31, 2023 and 2022:

(₹ in million)

Particulars	As on March 31,		% Change
	2023	2022	
Non-current borrowings			
Secured term loan from bank	166.72	148.66	12.15%
Secured working capital term loan from bank	28.93	58.40	(50.46%)
Secured vehicle loan from bank	1.21	2.81	(56.85%)
Current maturities of long term borrowings	182.64	141.41	29.16%
Total non-current borrowings (A)	379.50	351.27	8.04%
Current borrowings			
Unsecured borrowings from related parties	-	-	-
Unsecured borrowings from other parties	70.56	40.00	76.40%
Total current borrowings (B)	70.56	40.00	76.40%
Total borrowings (A + B)	**450.06**	**391.27**	**15.02%**

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 24.73% to ₹ 52.19 million in Fiscal 2023 from ₹ 41.84 million in Fiscal 2022. Our gross carrying amount of property, plant and equipment and intangible assets increased by 13.17% to ₹ 1,264.68 million as on March 31, 2023 from ₹ 1,117.54 million as on March 31, 2022.

Other expenses

Our other expenses increased by 8.22% to ₹ 222.13 million in Fiscal 2023 from ₹ 205.26 million in Fiscal 2022

Below is the breakdown of our other expenses for Fiscal 2023 and 2022 and % change in each line item:

(₹ in million)

Particulars	For the fiscal ended March 31,		Change %
	2023	2022	
Advertisement expense	0.40	-	100%
Repair & maintenance	56.72	58.43	(2.92%)
Export freight, handling & clearing	22.58	32.47	(30.46%)
Power & fuel	25.76	29.26	(11.97%)
Office expenses	13.73	18.69	(26.54%)
License & consultancy fees	14.70	7.76	89.30%
Freight inward	6.64	6.71	(1.13%)
Insurance	5.71	5.84	(2.27%)
Freight outward & octroi	10.53	5.77	82.41%
Conveyance expenses	5.22	5.32	(1.88%)
Bank charges and commission	3.28	3.58	(8.37%)
Rates & taxes	1.37	5.24	(73.94%)
Wages	7.28	3.42	112.57%
Sundry balances written off	3.16	3.01	4.80%
Commission	3.85	2.58	49.17%
Computer expenses	4.39	2.54	72.62%
Travelling	18.26	2.09	773.57%
Printing & stationary	2.21	1.92	15.16%
Testing & calibration	1.37	1.76	(21.89%)
Telephone & internet	2.27	1.44	58.16%
Other expenses	8.87	5.26	68.71%
CSR Activity expenses	3.83	0.30	1,175.00%
Donation Paid	-	1.85	(100%)
Total other expenses	**222.13**	**205.26**	**8.22%**

Reasons for increase in our major other expenses

a) repairs and maintenance expenses decreased by 2.92% to ₹ 56.72 million in Fiscal 2023 from ₹ 58.43 million in Fiscal 2022. The decrease was marginal in nature.

b) export freight, handling & clearing expenses decreased by 30.46 % to ₹ 22.58 million in Fiscal 2023 from ₹ 32.47 million in Fiscal 2022. The decrease was mainly on account of decrease in freight rates of the Shipping line during the fiscal 2023 and also due to increase of reimbursement of freight due to increase in CIF consignment

c) power and fuel expenses decreased by 11.97% to ₹ 25.76 million in Fiscal 2023 from ₹ 29.26 million in Fiscal 2022. The decrease was due to efficiencies achieved on account of modifications carried out in plant and machinery and proper maintenance of equipment;

d) office expenses decreased by 26.54% to ₹ 13.73 million in Fiscal 2023 from ₹ 18.69 million in Fiscal 2022 . Implementation of SAP and relevant technological upgradation has led to reduction of cost ;

e) License and consultancy fees expense increased by 89.30% to ₹ 14.70 million in Fiscal 2023 from ₹ 7.76 million in Fiscal 2022 mainly due to increase in consultancy charges towards procurement of international licenses and standards;

f) freight inward expenses decreased by 1.13% to ₹ 6.64 million in Fiscal 2023 from ₹ 6.71 million in Fiscal 2022 mainly due to change in our International Commercial Terms ('**INCO Terms**') and due to reduction in logistics rates;

g) insurance expenses decreased by 2.26% to ₹ 5.71 million in Fiscal 2023 from ₹ 5.84 million in Fiscal 2022. The decrease was marginal in nature;

h) Freight outward & octroi expenses increased by 82.41% to ₹ 10.53 million in Fiscal 2023 from ₹ 5.77 million in Fiscal 2022 mainly due to variation in geography wise domestic sales and also increase in the sales volume of domestic assembly sales;

Exceptional items

Our exceptional loss was ₹ 30.72 million in Fiscal 2023 as compared to exceptional gain of ₹ 4.14 million in Fiscal 2022. The gain was primarily attributable to loss of ₹ 30.77 million in Fiscal 2023 on account of foreign exchange translation of Foreign Currency Term Loan availed by us, as against gain of ₹ 4.13 million in Fiscal 2022.

Profit before tax

As a result of the foregoing, our profit before tax increased by 11.79% to ₹ 412.08 million in Fiscal 2023 from ₹ 368.62 million in Fiscal 2022.

Tax expense

Our total tax expense (including current tax, deferred tax charge / (credit) and income tax pertaining to earlier years) increased by 18.16% to ₹ 110.56 million in Fiscal 2023 from ₹ 93.57 million in Fiscal 2022. The increase was mainly on account of increase in current tax to ₹ 101.85 million in Fiscal 2023 as against ₹ 83.30 million in Fiscal 2022.The increase in current tax is also due to increase in profit before tax.

Profit for the year

As a result of the foregoing, our profit after tax for the year increased by 9.62% to ₹ 301.52 million in Fiscal 2023 from ₹ 275.06 million in Fiscal 2022.

Other comprehensive income

We recorded a total other comprehensive income of ₹ 0.04 million in Fiscal 2023 as compared to ₹ 0.01 million in Fiscal 2022. This was primarily on account of exchange differences on translation of financial statements of foreign operations (i.e. our UK Subsidiary).

Total comprehensive income for the year

As a result of the foregoing, our total comprehensive income increased by 9.63% to ₹ 301.57 million in Fiscal 2023 from ₹ 275.06 million in Fiscal 2022.

Results of operations for the Fiscal 2022 compared with Fiscal 2021

(except percentages, all figures are in ₹ millions)

Particulars	For the fiscal ended March 31,		% Change
	2022	2021	
Revenue from operations	2,408.00	1,447.74	66.33%
Other income	1.92	0.61	214.13%

Particulars	For the fiscal ended March 31,		% Change
	2022	2021	
Total income	2,409.92	1,448.35	66.39%
Expenses			
Cost of materials consumed	1,563.30	944.82	65.46%
Changes in inventories of work in progress and finished goods	(2.68)	(9.24)	(71.02%)
Employee benefits expense	175.20	131.40	33.34%
Finance costs	62.51	89.40	(30.08%)
Depreciation and amortisation expense	41.84	37.78	10.75%
Other expenses	205.26	157.41	30.40%
Total expenses	2,045.43	1,351.56	51.34%
Profit before exceptional items and tax	364.48	96.78	276.59%
Exceptional items	4.14	(16.30)	125.40%
Profit before tax	368.62	80.49	358.00%
Tax expense:			
Current tax	83.30	-	
Short/ (Excess) provision for earlier years	(0.03)		
Deferred tax liability/ (assets)	10.29	20.38	(49.49%)
Total tax expense	93.57	20.38	359.21%
Profit for the year	275.06	60.11	357.59%
Other comprehensive income	0.01	0.03	(83.56%)
Total comprehensive income for the year	275.06	60.14	357.36%

Total Income

Our total income in Fiscal 2022 increased by 66.39% to ₹ 2,409.92 million from ₹ 1,448.35 million in Fiscal 2021 primarily on account of following:

Revenue from operations:

Below is the breakdown of our revenue from operations for Fiscal 2022 and 2021:

(₹ in million)

Particulars	For the fiscal ended March 31,		% Change
	2022	2021	
Sale of products			
- Export	2,035.59	1,171.15	73.81%
- Domestic	294.28	226.16	30.12%
Sub-total (A)	2,329.87	1,397.32	66.74%
Other operating revenue			
Sale of scrap	15.81	8.25	91.67%
Gain on foreign exchange fluctuations	32.37	19.21	68.49%
Other operating revenue	29.96	22.96	30.45%
Sub-total (B)	78.13	50.42	54.96%
Total (A+B)	**2,408.00**	**1,447.74**	**66.33%**

Our revenue from operations increased by 66.33% to ₹ 2,408.00 million in Fiscal 2022 from ₹ 1,447.74 million in Fiscal 2021, primarily led by strong demand in our exports markets where our revenue grew by 73.81% to ₹ 2,035.59 million in Fiscal 2022 from ₹ 1,171.15 million from Fiscal 2021. In exports markets, we served total of 190 customers during Fiscal 2022 as against 169 total customers served during Fiscal 2021. Our revenue from domestic market grew by 30.12% to ₹ 294.28 million in Fiscal 2022 from ₹ 226.61 million in Fiscal 2021. In domestic markets, we served total of 416 customers during Fiscal 2022 as against 369 served added during Fiscal 2021.

Our other operating revenue increased by 54.96% to ₹ 78.13 million in Fiscal 2022 from ₹ 50.42 million in Fiscal 2021 mainly due to increase in revenue from scrap by 91.67% and gain on foreign exchange fluctuations by 68.49% and other operating revenue by 30.45% in Fiscal 2022 over Fiscal 2021.

Other income:

Below is the breakdown of our other income and percentage change in Fiscal 2022 over Fiscal 2021:

(₹ in million)

Particulars	For the fiscal ended March 31,		% Change
	2022	2021	
Interest income on fixed deposits			
- On fixed deposits	0.06	0.61	(90.62%)
- On others	0.47	-	100.00%
Insurance claim	1.39	-	100.00%
Total other income	**1.92**	**0.61**	**214.13%**

Our other income increased by 214.13% to ₹ 1.92 million in Fiscal 2022 from ₹ 0.61 million in Fiscal 2021 mainly due to increase in other income by ₹ 0.47 million, increase in insurance claim by ₹ 1.39 million. However, the increase was partially offset by decrease in interest income on fixed deposits by 90.62% to ₹ 0.06 million in Fiscal 2022 from ₹ 0.61 million in Fiscal 2021.

Expenses

Our expenses for Fiscal 2022 increased by 51.34% to ₹ 2,045.43 million from ₹ 1,351.56 million in Fiscal 2021 primarily on account of following:

Cost of materials consumed

Our cost of materials consumed increased by 65.46% to ₹ 1,563.30 million in Fiscal 2022 from ₹ ₹ 944.82 million in Fiscal 2021. In line with increase in our revenue from sale of products by 66.74 % in Fiscal 2022, our material consumption also showed similar growth. Our cost of material consumed was 64.87% of our total income in Fiscal 2022 compared to 65.23% in Fiscal 2021.

Changes in inventories of work in progress and finished goods

Change in inventories of work in progress and finished goods was (₹ 2.68) million in Fiscal 2022 as compared to ₹ (₹ 9.24) million in Fiscal 2021. Following table explains the opening and closing inventories of finished goods and work in progress:

(₹ in million)

Particulars	As on March 31,		% Change
	2022	2021	
Work-in –progress	73.87	100.23	(26.30%)
Finished Goods	72.17	43.14	67.31%
Total	**146.05**	**143.37**	**1.87%**

(₹ in million except days of inventories)

Particulars	For the fiscal ended March 31,		% Change
	2022	2021	
Total cost of material consumed	1563.30	944.82	65.46%
Changes in inventories of work in progress and finished goods	(2.68)	(9.24)	(71.02%)
Total cost of goods sold	1,560.62	935.57	66.81%
*Days of inventories of raw materials**	*50*	*77*	

Particulars	For the fiscal ended March 31,		% Change
	2022	2021	
*Days of inventories of work in progress**	*17*	*39*	
*Days of inventories of finished goods**	*17*	*17*	

**Days of inventories of raw materials, work in progress and finished goods is a Non-GAAP measure calculated as follows:*
*Days of raw materials = total of inventories of raw material / cost of materials consumed * 365*
*Days of work in progress = total of inventories of work in progress / cost of goods sold * 365*
*Days of finished goods = total of inventories of finished goods / cost of goods sold * 365*
We believe that this additional Non-GAAP information could help investors as an additional tool to evaluate our inventory levels.

Employee benefits expense

Our employee benefits expense increased by 33.34% to ₹ 175.20 million in Fiscal 2022 from ₹ 131.40 million in Fiscal 2021. Below is the breakdown of our employee benefits expense:

(₹ in million)

Particulars	For the fiscal ended March 31,		% Change
	2022	2021	
Salaries, wages, bonus and other allowances	154.66	117.79	31.30%
Contribution to provident fund and ESI	6.85	5.48	24.98%
Gratuity and compensated absences expenses	0.49	0.08	531.13%)
Staff welfare expenses	13.21	8.05	64.02%
Total employee benefits expense	175.20	131.40	33.34%
Employee benefits expense as a % of total income	7.27%	9.07%	

As on March 31, 2022, there were 328 full time employees of our Company as compared 258 full time employees as on March 31, 2021 resulting in net addition of 70 employees in Fiscal 2022.

Finance costs

Our finance costs decreased by 30.08% to ₹ 62.51 million in Fiscal 2022 from ₹ 89.40 million in Fiscal 2021which is in line with decrease in our total borrowings in Fiscal 2022. Below is the breakdown of our finance costs:

(₹ in million)

Particulars	For the fiscal ended March 31,		% Change
	2022	2021	
Interest on borrowing ;			
- To Bank	39.47	53.09	(25.64%)
- To Related Parties	-	21.58	(100.00%)
- To Others	16.64	7.97	108.92%
Processing Fee & Stamp duty	1.51	4.77	(68.39%)
Professional Fee (Finance Management Charges)	4.20	-	100.00%
Interest Paid to Creditors	0.68	1.99	(65.87%)
Total finance costs	**62.51**	**89.40**	**(30.08%)**
Total Outstanding Borrowings	**391.27**	**530.68**	**(26.27%)**

Our total borrowings decreased by 26.27% ₹ 391.27 million as on March 31, 2022 against to ₹ 530.68 million as on March 31, 2021. This decrease led to a decrease in our finance costs for the Fiscal 2022 over Fiscal 2021. Below is the further breakdown of our borrowings as on March 31, 2022 and 2021:

(₹ in million)

Particulars	As on March 31,		% Change
	2022	2021	
Non-current borrowings			

Particulars	As on March 31,		% Change
	2022	2021	
Secured term loan from bank	148.66	267.12	(44.35%)
Secured working capital term loan from bank	58.40	85.68	(31.83%)
Secured vehicle loan from bank	2.81	-	100.00%
Current maturities of long term borrowings	141.41	96.82	46.05%
Total non-current borrowings (A)	351.28	449.62	(21.87%)
Current borrowings			
Unsecured borrowings from related parties	-	60.79	(100.00%)
Unsecured borrowings from other parties	40.00	20.28	97.26%
Total current borrowings (B)	40.00	81.06	(50.66%)
Total borrowings	**391.27**	**530.68**	**(26.27%)**

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 10.75% to ₹ 41.84 million in Fiscal 2022 from ₹ 37.78 million in Fiscal 2021. Our gross carrying amount of property, plant and equipment and intangible assets increased by 6.65% to ₹ 1,128.29 million as on March 31, 2022 from ₹1,057.90 million as on March 31, 2021.

Other expenses

Our other expenses increased by 30.40% to ₹ 205.26 million in Fiscal 2022 from ₹ 157.41 million in Fiscal 2021. Below is the breakdown of our other expenses for Fiscal 2022 and 2021 and % change in each line item:

(₹ in million)

Particulars	For the fiscal ended March 31,		Change %
	2022	2021	
Repair & maintenance	58.43	42.45	37.62%
Export freight , handling & clearing	32.47	15.72	106.53%
Power & fuel	29.26	21.10	38.70%
Office expenses	18.69	13.27	40.83%
License & consultancy fees	7.76	6.25	24.17%
Freight inward	6.71	5.15	30.35%
Insurance	5.84	3.45	69.50%
Freight outward & octroi	5.77	9.15	(36.90%)
Conveyance expenses	5.32	5.08	4.78%
Bank charges and commission	3.58	2.61	36.99%
Rates & taxes	5.24	1.35	287.95%
Wages	3.42	3.29	3.91%
Sundry balances written off	3.01	9.15	(67.06%)
Commission	2.58	1.41	83.31%
Computer expenses	2.54	2.10	21.11
Travelling	2.09	0.19	989.22%
Printing & stationary	1.92	1.61	19.17%
CSR Activities Expenses	0.30	-	100%
Donation paid	1.85	2.45	(24.50%)
Testing & calibration	1.76	1.43	23.17%
Telephone & internet	1.44	1.24	16.03%
MVAT of earlier year	-	2.86	(100%)
Late delivery charges	-	1.95	(100%)
Other expenses	5.26	8.96	(37.95%)
Total other expenses	**205.26**	**157.41**	**30.40%**

Reasons for increase in our major other expenses:

a) repairs and maintenance expenses increased by 37.62% to ₹ 58.43 million in Fiscal 2022 from ₹ 42.45 million in Fiscal 2021. The increase was mainly on account of repair and maintenance of our plant & machinery and building.

b) export freight, handling & clearing expenses increased by 106.53% to ₹ 32.47 million in Fiscal 2022 from ₹ 15.72 million in Fiscal 2021. The increase was mainly on account of increase in our export revenues in Fiscal 2022 coupled with increase in freight rates during the fiscal;

c) power and fuel expenses increased by 38.70% to ₹ 29.26 million in Fiscal 2022 from ₹ 21.10 million in Fiscal 2021. The increase was in line with increase in our overall business activity in Fiscal 2022 over Fiscal 2021;.

d) office expenses increased by 40.83% to ₹ 18.69 million in Fiscal 2022 from ₹ 13.27 million in Fiscal 2021 mainly due to amount incurred on temporary shedding. Additionally, the increase was in line with increase in our overall activity in Fiscal 2022 over Fiscal 2021;

e) License and consultancy fees decreased 24.17% to ₹ 7.76 million in Fiscal 2022 from ₹ 6.25 million in Fiscal 2021 mainly due to increase in consultancy charges of employee recruitment toward new recruitment of employees;

f) freight inward expenses increased by 30.35% to ₹ 6.71 million in Fiscal 2022 from ₹ 5.15 million in Fiscal 2021 mainly due to increase in our purchases of raw materials and consumables on account of increase in our overall activity;

g) insurance expenses increased by 69.50% to ₹ 5.84 million in Fiscal 2022 from ₹ 3.45 million in Fiscal 2021 mainly due to increase in insurance cost for employees. Our overall number of employees also increased during the Fiscal year 2022;

h) Freight outward & octroi expenses decreased by 36.90% to ₹ 5.77 million in Fiscal 2022 from ₹ 9.15 million in Fiscal 2021 mainly due to decrease in the freight rates by our logistics vendors.

Exceptional items

Our exceptional loss decreased to ₹ 4.14 million in Fiscal 2022 from loss of ₹ 16.30 million in Fiscal 2021. The gain was primarily on account of attributable to gain of ₹ 4.13 million in Fiscal 2022 on account of foreign exchange translation of Foreign Currency Term Loan availed by us, as against loss of ₹ 16.30 million in Fiscal 2021.

Profit before tax

As a result of the foregoing, our profit before tax increased by 358.00% to ₹ 368.62 million in Fiscal 2022 from ₹ 80.49 million in Fiscal 2021.

Tax expense

Our total tax expense (including current tax, deferred tax charge / (credit) and income tax pertaining to earlier years) increased by 359.21 % to ₹ 93.57 million in Fiscal 2022 from ₹ 20.38 million in Fiscal 2021. The increase was mainly on account of increase in current tax to ₹ 83.30 million in Fiscal 2022 as against Nil in Fiscal 2021 (There was no current tax expense in Fiscal 2021 due to availment of set off of carried forward losses of earlier years). The increase in current tax is also due to increase in profit before tax. However, the increase was partially set off by decrease in deferred tax expense by ₹ 10.08 million in Fiscal 2022.

Profit for the year

As a result of the foregoing, our profit after tax for the year increased by 357.59% to ₹ 275.06 million in Fiscal 2022 from ₹ 60.11 million in Fiscal 2021.

Other comprehensive income:

We recorded a total other comprehensive income of ₹ 0.01 million in Fiscal 2022 as compared to ₹ 0.03 million in Fiscal 2021. This was primarily on account of exchange differences on translation of financial statements of foreign operations (i.e. our UK Subsidiary.)

Total comprehensive income for the year:

As a result of the foregoing, our total comprehensive income increased by 357.36% to ₹ 275.06 million in Fiscal 2022 from ₹ 60.14 million in Fiscal 2021.

Liquidity and Capital Resources

Historically, we have been able to finance our capital requirements and the expansion of our business and operations through a combination of funds generated from our operations, equity infusions from shareholders and debt financing, and we expect to continue to do so. Our primary capital requirements are working capital for our operations and capital expenditures.

We believe that after taking into account the expected cash to be generated from our business and operations, the Net Proceeds from the Fresh Issue and the proceeds from our existing bank loans, we will have sufficient capital to meet our anticipated capital requirements for our working capital and capital expenditure requirements for the 12 months following the date of this Prospectus.

As at the Fiscal ended March 31, 2023, 2022 and 2021, we had cash and cash equivalents (comprising of cash on hand and balances with banks excluding fixed deposits) of ₹ 61.32 million, ₹ 82.05 million and ₹ 34.77 million respectively and balance in fixed deposit of ₹ 1.21 million, ₹ 1.23 million and ₹ 1.15 million respectively, as per our Restated Consolidated Financial Statements.

Cash Flows

The table below summarizes our cash flows for the Fiscals 2023, 2022 and 2021:

(₹ in million)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Net cash generated from operating activities	37.88	320.63	120.88
Net cash from/ (used) in investing activities	(94.56)	(133.85)	(29.09)
Net cash (used)/generated from financing activities	35.92	(139.41)	(103.87)
Net (decrease)/increase in cash and cash equivalents	(20.76)	47.37	(12.08)
Cash and Cash Equivalents at the beginning of the year	83.29	35.92	48.00
Cash and Cash Equivalents at the end of the year	62.53	83.29	35.92

Operating Activities

Fiscal 2023

Our net cash used in operating activities was ₹ 37.88 million during Fiscal 2023. Our restated profit before tax was ₹ 412.08 million during the Fiscal ended March 31, 2023 and adjustments to reconcile restated profit before tax to operating profit before working capital changes majorly consisted of depreciation and amortisation expense of ₹ 52.19 million, amongst others, which was partially offset by provision for tax of ₹ 108.34 million. Operating profit before working capital changes was ₹ 355.98 million during Fiscal ended March 31, 2023. The main working capital adjustments during Fiscal ended March 31, 2023, included increase in inventories by ₹ 201.85 million and increase in trade receivables by ₹ 143.58 million, amongst others. This was partially offset by decrease in other current assets by ₹ 71.48 million and increase in trade payables by ₹ 24.46 million, amongst others.

Fiscal 2022

Our net cash generated from operating activities was ₹ 320.63 million during Fiscal 2022. Restated profit before tax was ₹ 368.62 million during the Fiscal ended March 31, 2022 and adjustments to reconcile restated profit before tax to operating profit before working capital changes majorly consisted of depreciation and amortisation expense of ₹ 41.84 million, amongst others, which was partially offset by provision for tax of ₹ 83.27 million. Operating profit before working capital changes was ₹ 327.20 million during Fiscal ended March 31, 2022. The main working capital adjustments during Fiscal ended March 31, 2022, included an increase in trade receivables of ₹ 188.32 million, increase in inventories of ₹ 15.02 million and decrease in other current assets of ₹ 115.31 million, decrease in other current liabilities of ₹ 67.97 million, amongst others. This was partially offset by increase in trade payables of ₹ 61.52 million, amongst others.

Fiscal 2021

Our net cash generated from operating activities was ₹ 120.88 million during the Fiscal 2021. Restated profit before tax was ₹ 80.49 million for Fiscal ended March 31, 2021 and adjustments to reconcile restated profit before tax to operating profit before working capital changes majorly consisted of depreciation and amortisation expense of ₹ 37.78 million. Operating profit before working capital changes was ₹ 118.30 million during Fiscal 2021. The main working capital adjustments during Fiscal 2021 included increase in inventories of ₹ 25.67 million, increase in trade receivables of ₹ 42.03 million and increase in other current assets of ₹ 17.04 million, amongst others. This was partially offset by a increase in trade payables of ₹ 65.85 million and increase in other current liabilities of ₹ 22.06 million, amongst others.

Investing Activities

Fiscal 2023

Net cash used in investing activities was ₹ 94.56 million for the in Fiscal 2023, primarily on account of capital expenditure made in property, plant and equipment and intangible assets.

Fiscal 2022

Net cash used in investing activities was ₹ 133.85 million in Fiscal 2022. This was primarily on account of capital expenditure made in property, plant and equipment and intangible assets of ₹ 133.85 million.

Fiscal 2021

Net cash used in investing activities was ₹ 29.09 million in Fiscal 2021. This was primarily on account of capital expenditure made in property, plant and equipment and intangible assets of ₹ 29.09 million.

Financing Activities

Fiscal 2023

Net cash generated in financing activities during Fiscal ended March 31, 2023 was ₹ 35.92 million which primarily consisted of proceeds from short term borrowings (net) of ₹ 71.79 million, the same was offset with outflows towards repayment of long term borrowings of ₹ 13.00 million and dividend payment of ₹22.86 million.

Fiscal 2022

Net cash used in financing activities during Fiscal ended March 31, 2022 was ₹ 139.41 million which primarily consisted of repayment of long term borrowings (net) of ₹ 142.94 million. This was partially offset by proceeds from short term borrowings of ₹ 3.52 million.

Fiscal 2021

Net cash used in financing activities during Fiscal ended March 31, 2021 was ₹ 103.87 million which primarily consisted of repayment of long term borrowings (net) of ₹ 22.98 million and repayment of short term borrowings of ₹ 80.89 million.

Financial Indebtedness

As on March 31, 2023 the total outstanding borrowings of our Company aggregated to ₹ 450.06 million, which included long-term borrowings of ₹ 196.86 million (including current maturities of long term debt of ₹ 182.64 million) and short-term borrowings of ₹ 253.20 million. We propose to repay certain of secured loans to the extent of ₹ 350.00 million out of the Net Proceeds. For further details, please refer to chapter titled, "*Financial Indebtedness*" and "*Objects of the Offer*" beginning on page 226 and 100 of this Prospectus.

The following table sets forth certain information relating to our outstanding indebtedness as of March 31, 2023, and our repayment obligations in the periods indicated:

(₹ in million)

Particulars	**As at March 31, 2023**		
	Total	**Due within one year**	**Due beyond one year**
Long Term Secured Borrowings			
Term Loans (secured)	211.57	182.64	28.93
Working Capital Loan (secured)	166.72	-	166.72
Vehicle Loans (secured)	1.21	-	1.21
Total Long Term Secured term borrowings			
Short Term Unsecured Borrowings			
Unsecured Loan	70.56	70.56	-
Total Short Term Unsecured Borrowings			
Total Borrowings	**450.06**	**253.20**	**196.86**

Contingent Liabilities and Off-Balance Sheet Arrangements

As of March 31, 2023, our Company did not have any contingent liabilities and off balance sheet arrangements as per "Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets", that have not been provided for.

Except as disclosed in the Restated Consolidated Financial Statements or elsewhere in this Prospectus , there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Contractual Obligations and Commitments

As on March 31, 2023, our Company did not have contractual obligations or capital commitments.

Capital Expenditure

During Fiscals 2023, 2022 and 2021, our capital expenditures, were ₹ 154.01 million, ₹ 134.00 million and ₹ 28.77 million respectively. The following table sets forth gross addition to our fixed assets for the periods indicated:

(₹ in million)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Property, Plant & Equipment	146.90	132.35	24.65
Intangible Assets	7.11	1.65	4.12
Total	**154.01**	**134.00**	**28.77**

Note: This is based on the Gross block of our property, plant and equipment and intangible assets. For further information, see "Restated Consolidated Financial Statements" on page 222.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. Primarily such transactions include remuneration to directors and KMP, payment of dividend, loans taken and repayment and sale of our products among others. For further details relating to our Related Party Transactions, see "Note 41 – Related Party Information as per Ind AS 24" on page F-44 under chapter titled "*Restated Consolidated Financial Statements*" beginning on page 222 of this Prospectus.

Auditor's Observations

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors which requires adjustments in Restated Consolidated Financial Statements as of and for the years ended March 31, 2021, 2022 and 2023.

Quantitative and Qualitative Disclosures about Market Risk

In the course of our business, we are exposed to certain financial risks such as credit risk, liquidity risk, market risk and price risk.

Market Risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, could affect our income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return. We are exposed to market risk primarily related to foreign exchange rate risk (currency risk) and interest rate risk. Accordingly, our exposure to market risk is a function of borrowing activities and revenue generating and operating activities in foreign currencies.

Commodity Price Risk

Commodity price risk is the possibility of impact from changes in the prices of raw materials. We are exposed to market risk with respect to the prices of certain raw materials used for our products, including different components or grades of steel coil, wires and fittings, which are primary raw materials for the products manufactured at our facility. The costs for these materials are based on commodity prices and are subject to fluctuations. The costs of components sourced from outside manufacturers may also fluctuate based on their availability from suppliers.

Foreign Currency Risk

Our Company is subject to the risk that changes in foreign currency values impact the Company's exports revenue and imports of raw material. The risk exposure is with respect to various currencies viz. USD, Euro and other foreign currencies. The risk is measured through monitoring the net exposure to various foreign currencies and the same is minimized to the extent possible.

Our Company's risk to foreign exchange fluctuations arises mainly from foreign currency transactions, primarily with respect to the trade receivables and trade payables. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not our Company's functional currency. We export our products to various countries across the globe where our invoices are denominated in USD or EUR or any other foreign currency. Similarly we import raw materials such as steel coil and fittings, the prices of which are denominated in USD or EUR or any other foreign currency. Changes in currency exchange rates influence our results of operations. We are naturally hedged to an extent as we import raw materials and export our finished goods. In addition, our revenues are split between domestic sales in India and overseas sales. However, there can be no assurance that fluctuations in the value of the Indian Rupee against USD or EUR or any other foreign currency will not have an effect on our results of operations.

The following table sets forth our exposure to foreign currency risk expressed in ₹ million, as at March 31, 2023, as per our Restated Consolidated Financial Statements:

Particular	Amount (₹ in million)
Financial Assets as at March 31, 2023	685.34
Financial liabilities as at March 31, 2023	433.86

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our Company's exposure to the risk of changes in market interest rates relates primarily to our Company's long-term debt obligations with floating interest rates. Our Company's main interest rate risk arises from long-term borrowings with variable rates, which expose us to cash flow interest rate risk. We mitigate risk by structuring our borrowings to achieve a reasonable, competitive cost of funding. 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.

Credit Risk

Credit risk is the risk of financial loss to the Company if the counterparty fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables). However, the credit risk on account of financing activities, i.e., balances with banks is very low, since the Company holds all the balances with approved bankers only.

Trade receivables: Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the customers outstanding balances to which the Company grants credit terms in the normal course of business. Concentration of credit risk with respect to trade receivables are limited, as the Company's customer base is large, reputed and having good credit credential as well as that they are long standing customers. All trade receivables are reviewed and assessed for default on a quarterly basis. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Liquidity risk

Liquidity risk is the risk the Company faces in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, Management considers both normal and stressed conditions.

Our objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. We closely monitor our liquidity position and deploy a robust cash management system. We aim to minimise these risks by generating sufficient cash flows from current operations, which in addition to the available cash and cash equivalents and sufficient committed fund facilities, will provide liquidity. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The carrying amounts are assumed to be reasonable approximation of fair value

Effect of Inflation

In recent years, India has experienced moderate rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

Unusual or Infrequent Events or Transactions

Except as described in this Prospectus, to our knowledge, 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 Income from Continuing 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 income from continuing operations identified above in "*– Significant Factors Affecting our Results of Operations and Financial Conditions*" and the uncertainties described in "*Risk Factors*" on pages 228 and 37 respectively.

Known Trends or Uncertainties that Have had or are Expected to Have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" beginning on pages 226 and 37, respectively. To our knowledge, except as discussed in this Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on sales, revenue or income of our Company from continuing operations.

Expected Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are Known

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 37, 152 and 226 respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Status of any Publicly Announced New Products or Business Segments

Except as disclosed elsewhere in the RHP, we have not announced and do not expect to announce in the near future any new products or business segments.

Competitive Conditions

We operate in a competitive environment. Please refer to chapter titled "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 152, 123, 37 respectively, for further details on competitive conditions that we face in our business.

Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in revenue in the last three Fiscals are as described in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2023 compared to Fiscal 2022*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2022 compared to Fiscal 2021*".

Significant Dependence on a Single or Few Suppliers or Customers

The percentage of contribution of our Company's customers and suppliers vis a vis the revenue from operations and raw materials purchases respectively for Fiscal ended as on March 31, 2023 and Fiscal ended as on March 31, 2022, based on Restated Consolidated Financial Statements are as follows:

Particulars	Suppliers		Customers	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Top 5 (%)	74.49	74.52	24.10	33.02
Top 10 (%)	81.24	82.27	31.38	40.74

Seasonality of Business

The nature of our business is not seasonal.

Significant Developments after March 31, 2023 that may affect our results of operations

To our knowledge, except as disclosed below and except as set out in this Prospectus, in the opinion of the Board of Directors of our Company, no circumstances have arisen since the date of the last financial statements as disclosed in this Prospectus which materially or 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.

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SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:(i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or Stock Exchanges against the Promoter in the last five financial years, including any outstanding action; or (v) Material Litigation (as defined below); involving our Company, Directors, Promoter, Subsidiary and Group Company.

*Our Board, in its meeting held on May 20, 2022, determined that outstanding legal proceedings involving the Company, its Directors, Promoter, Subsidiary and Group Company: (a) where the aggregate amount involved, in such individual litigation exceeds 5% of the total revenue of our Company, as per last audited financial statements on a consolidated basis; or (b) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 5% of the total revenue of the Company as per the last audited financial statements on a consolidated basis, if similar litigations put together collectively exceed 5% of the profit after tax of the Company, on a consolidated basis, or (c) litigations whose outcome could have a material impact on the business, operations, prospects or reputation of our Company, will be considered as material litigation ("***Material Litigation***")*

Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors exceeding 20% of the trade payables for the last audited financial statements on a consolidated basis i.e. ₹73.26 million, as material dues for the Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on May 20, 2022. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("MSME"), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.

Except as stated in this section, there is no outstanding litigation involving our Subsidiary, which will have a material impact on our Company. All terms defined in a particular litigation are for that particular litigation only.

1. LITIGATION INVOLVING OUR COMPANY

i. Litigation against our Company

1. *Criminal Proceedings:*

   Nil

2. *Actions taken by Statutory/Regulatory Authorities*

   Nil

3. *Tax Proceedings*

   Below are the details of pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

(₹ in million)

Particulars	Number of cases	Amount involved*
	Indirect Tax	
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil
Total	Nil	Nil
	Direct Tax	

Cases filed against our Company	Nil	Nil
Cases filed by our Company	Nil	Nil
Total	Nil	Nil

4. *Disciplinary action taken by SEBI or Stock Exchanges*

Nil

5. *Other Material Litigations*

Nil

ii. Litigation by our Company

1. *Criminal Proceedings*

Nil

2. *Civil and other Material Litigations*

Nil

2. LITIGATION INVOLVING OUR PROMOTER

Cases filed against our Promoter

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

'Our Promoter i.e., Sat Industries Limited received a show cause notice dated August 08, 2022 issued by Department of Goods and Service Tax (Government of Maharashtra) ("**Show Cause Notice**") for cancellation of Goods and Service Tax Registration of our Promoter. The said Show Cause Notice does not specifically demand any amount to be paid by our Promoter. Further, our Promoter being aggrieved by the said notice has filed an writ petition dated August 17, 2022 bearing registration number WP/3643/2022 challenging the unlawful cancellation our Promoter's GST registration without awarding an opportunity of being heard and also challenging the amendment to Rule 21A(2) of Central Goods and Service Tax Rules, 2017 brought in vide notification dated December 22, 2020 issued by Government of India, Ministry of Finance (Department of Revenue) Central Board of Indirect Taxes and Customs. The Hon'ble High Court of Bombay vide its order dated August 29, 2022 granted an ad-interim relief by staying the effect of Show Cause Notice 1 and Show Cause Notice 2 and revoked the suspension of GST registration of the Promoter. Further to the above, upon completion of assessment for FY 2017-18 our Promoter received a show cause notice dated February 21, 2023 under S.73 of Central Goods and Service Tax Act, 2017 disallowing ITC claimed by Sat industries Limited and demanding an amount of ₹2,26,20,426.30/- (including GST, interest and penalty). Our Promoter being aggrieved by the aforesaid show cause notice, has preferred an appeal praying for allowing the Promoter's claim of input tax credit and deletion of penalty and interest amount in full. The matter is presently sub-judice. Further, if the aforesaid litigation proceeding are adjudicated against our Promoter, the cancellation of GST registration of our Promoter will be upheld and a penalty may be imposed upon our Promoter. In the event our Promoter is subject to an unfavorable decision being passed in the aforesaid litigation proceedings, the same may affect the business reputation of our Promoter.

4. *Other Material Litigations*

   Nil

Cases filed by our Promoter

1. *Criminal Proceedings*

   Nil

2. *Other Material Litigations*

   Nil

Disciplinary action against our Promoter by SEBI or any Stock Exchanges in the last five (05) fiscals

As on date of this Prospectus, no disciplinary action including penalty imposed by SEBI or Stock Exchanges has been initiated against our Promoter in the last five Fiscals including any outstanding action.

3. LITIGATION INVOLVING OUR DIRECTORS

Cases filed against our Directors

1. *Criminal Proceedings*

   Nil

2. *Actions taken by Statutory/Regulatory Authorities*

   Nil

3. *Disciplinary action taken by SEBI or Stock Exchanges*

   Nil

4. *Tax Proceedings*

   Nil

5. *Other Material Litigations*

   Nil

Cases filed by our Directors

1. *Criminal Proceedings*

   Nil

2. *Other Material Litigations*

   Nil

4. LITIGATION INVOLVING OUR SUBSIDIARY

Cases filed against our Subsidiary

1. *Criminal Proceedings*

   Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Disciplinary action taken by SEBI or Stock Exchanges*

Nil

4. *Tax Proceedings*

Nil

5. *Other Material Litigations*

Nil

Cases filed by our Subsidiary

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

5. LITIGATION INVOLVING OUR GROUP COMPANY

1. *Cases filed against Italica Global FZC*

Nil

2. *Cases filed by Italica Global FZC*

Nil

6. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

In terms of the Materiality Resolution dated May 20, 2022, as on March 31, 2023, our Company has 02 material creditors namely, Entity 1* and Entity 2^ to whom our Company owes ₹93.23 million and ₹74.47 million respectively.
*^*Names of the material creditors of our Company cannot be disclosed due to non-availability of consent letters.*

As on March 31, 2023 our Company has 124 creditors and the aggregate outstanding dues these creditors by our Company are ₹ 366.30 million. Further as on March 31, 2023 our Company owes an amount of ₹ 88.31 to micro, small and medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Details of amounts outstanding to material and other creditors is as follows:

(₹ in million)

Particulars	No. of Creditors	Amount
Outstanding dues to material creditor	2	167.70
Outstanding dues to micro, small and medium enterprises	33	88.31
Outstanding dues to other creditors	89	110.30
Total outstanding dues	**124**	**366.30**

Complete details of outstanding dues to our creditors as on Fiscal March 31, 2023 is available at the website of our Company, www.aeroflex.com Information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference.

MATERIAL DEVELOPMENT SINCE MARCH 31, 2023.

Except as disclosed below, there have been no material developments since March 31, 2023 till the date of filing of this Prospectus.

a) Shareholders of our Company vide their resolution dated July 08, 2023 passed at the 29th Annual General Meeting declared final dividend @ 10% (₹0.20 per fully paid-up equity share of face value of ₹2/- each) of 11,43,20,370 Equity Shares of face value ₹2/- each out of profits of the Company for Fiscal March 31, 2023;

7. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

On April 02, 2018, Sat Industries Limited, the Promoter of Aeroflex, acquired our Company from the erstwhile promoters of the Company. This acquisition was pursuant to settlement process as our Company turned non-performing and the erstwhile promoters approached our current Promoter for bail-out by taking over the control and management of our Company and settling all dues to lenders. Pursuant to the said acquisition, our Promoter approached lenders and settled their claims and upon settlement, the lenders issued no dues certificate/charge satisfaction letter.

The name of our Company appeared in the list of wilful defaulter issued by CIBIL in relation to default in payment with respect to various facilities availed by the Company, in the past, before the takeover of the Company by our current Promoter, from State Bank of India ("**SBI**"), Axis Bank, Bank of India, UCO Bank, Exim Bank and Allahabad Bank (hereinafter collectively referred to as "**Consortium**"). Due to unfortunate commercial and financial events prevailing at that time, our erstwhile management could not honor the financial commitments made to the Consortium in time. The Board of Directors of our Company, at its meeting held on July 14, 2010, formed an opinion as to the sickness of the Company and filed an application under Section 15 of Sick Industrial Companies Act, 1985 with the Board for Industrial and Financial Reconstruction (**BIFR**). It was observed by the Hon'ble Bench that the possession of assets of the Company had been taken over by SBI and it was decided that the secured creditors and government departments are at liberty to file or pursue suit, if already filed before the competent Court of law to recover the dues from the Company and hence the Company was subject to proceedings under the applicable provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI**") before the Debt Recovery Tribunal ("**DRT**"). Further, the Company was also subject to civil recovery proceedings before the Hon'ble High Court of Bombay.

Post takeover of our Company by our current Promoter, and clearing off all dues, the aforementioned litigation proceedings were withdrawn by the relevant parties and 'No Dues Certificates' were received from all the banks forming part of the Consortium, as shown below:

Sr. No	Name of banks forming part of Consortium	Particulars of settlement	Date and particulars of no dues certificate
1	State Bank of India	Comprise Settlement	August 30, 2018
2	Bank of India	One Time Settlement	September 01, 2018
3	Axis Bank	Facilities were assigned to International Asset Reconstruction Company ("**IARC**") for recovery.	No dues certificate dated September 03, 2018 is available from IARC
4	Allahabad Bank	Facilities were assigned to International Asset Reconstruction Company ("**IARC**") for recovery.	No dues certificate dated September 03, 2018 is available from IARC
5	UCO Bank	Compromised Settlement	March 28, 2018
6	Exim Bank	Facilities were assigned to Edelweiss Asset Reconstruction Company ("**EARC**") for recovery.	No dues certificate dated September 04, 2018 is available from EARC

Our current Promoter and management revived our Company's business and grown our business globally to our current level of operations. Further, it is pertinent to note that the current Promoter and management personnel of our Company do not suffer from any disqualification as contemplated under the applicable rules, regulations and guidelines of Reserve Bank of India on wilful defaulters. Further, Our Company vide its legal counsel has addressed the following correspondences to SBI and Trans Union CIBIL Limited in order to remove its name from the list of wilful defaulter: a) letter dated October 04, 2022 addressed to SBI, b) letter dated October 20, 2022 addressed to SBI, c) letter dated September 16, 2022 addressed to Trans Union CIBIL Limited. Moreover, SBI vide its letter dated October 11, 2022 and letter dated November 02, 2022 has responded to our correspondences stating *inter alia* that "reporting of the Company's account as wilful default stopped from December 2018 quarter onwards". As per the credit report of the Company dated June 05, 2023 issued by TransUnion CIBIL Limited, the Company is not a wilful defaulter. In addition, our Company raised a query with CIBIL seeking clarification on the status of the Company as a wilful defaulter. In response to which CIBIL *vide* email dated June 05, 2023 provided a clarification that as per the screenshot extracted from the CIBIL Report of the Company, the status is clear and the Company is not reported as a wilful defaulter. NAs on date of the Offer Document neither our Company, Promoter or our directors are categorized as wilful defaulter.

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GOVERNMENT AND OTHER STATUTORY APPROVALS

Our business requires various approvals, licenses, consents, registrations, and permits issued by relevant regulatory authorities under various rules and regulations. Set out below is an indicative list of all material approvals, licenses, consents, registrations, and permits obtained by our Company and our Subsidiary, which are necessary for undertaking our business. In view of such approvals, our Company can undertake the Offer and its current business activities. Additionally, unless otherwise stated, these approvals or licenses are valid as of the date of this Prospectus, and in case of licenses and approvals which have expired, we have either made an application for renewal, or are in the process of making an application for renewal. Certain material approvals, licenses, consents, registrations, and permits may expire periodically in the ordinary course and applications for renewal of such expired material approvals, licenses, consents, registrations and permits are submitted in accordance with applicable requirements and procedures.

For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factor- We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business and our Company requires to renew a number of approvals, licenses, registrations and permits to develop and operate our business and operations and any failure or delay to obtain or renew them in a timely manner may adversely affect our operations and results." on page 56. For further details in connection with the regulatory and legal framework within which we operate, see 'Key Industrial Regulations and Policies' on page 176 of this Prospectus.

The following statements set out the details of approvals, licenses, consents, registrations and permits availed by our Company under various central and state laws for carrying out the business:

I. *Offer related approvals*

For the approvals and authorizations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 279 of this Prospectus.

II. *Approvals from Stock Exchanges*

a) Our Company has received an in-principle approval from the BSE and NSE Limited dated June 12, 2023 and June 13, 2023 for listing of Equity Shares of face value ₹2/- each issued pursuant to the Offer.

b) Our Company's ISIN is **INE024001021.**

III. *General Approvals availed by our Company*

a) Certificate of Incorporation dated October 19, 1993 for Suyog Intermediates Private Limited under the Companies Act, 1956 issued by Registrar of Companies, Maharashtra.

b) Certificate of Incorporation dated October 28, 1998 under the Companies Act, 1956 issued by Registrar of Companies, Maharashtra, Mumbai consequent upon change of name of our Company to "*Aeroflex Industries Private Limited*".

c) Certificate of Incorporation dated August 23, 2006 under the Companies Act, 1956 issued by Registrar of Companies, Maharashtra, Mumbai consequent upon conversion of our Company from a private limited company to a public limited company and subsequent change of name to "*Aeroflex Industries Limited*".

d) Certificate of registration under the Employee State Insurance Act, 1948 bearing registration number 34000164520000699 for our Manufacturing Unit.

e) Intimation letter dated January 31, 2007 issued for allotment of code number MH/VASHI/117069 issued by the Regional Provident Fund Commissioner, Maharashtra.

f) Certificate of registration under the Employee State Insurance Act, 1948 bearing registration number 34000164520000699 for our Registered Office.

g) Acknowledgement letter August 12, 2009 issued by Secretariat for Industrial Assistance, Ministry of Commerce and Industry acknowledging the receipt of memorandum for the manufacturing of sanitary and plumbing fixtures and fittings of metals.

h) Industrial Entrepreneurs Memorandum dated October 28, 2009 bearing entrepreneurs memorandum number 2037/SIA/IMO/2009 issued by the Directorate of Industries, Government of Maharashtra, Ministry of Commerce and Industry.

i) Certificate of Importer-Exporter Code dated August 24, 2001 (last modified as on December 15, 2020) bearing IEC number 0301027528 issued by Directorate General of Foreign Trade, Ministry of Commerce and Industry.

j) Udyam Registration certificate dated July 04, 2020 bearing udyam registration number UDYAM-MH-19-0000219 issued by Ministry of Micro, Small and Medium Enterprises, Government of India.

k) Certificate of recognition dated January 28, 2021 bearing reference number 030220001820 rating our Company as a '*Two Star Export House*' issued by Additional Director General of Foreign Trade Ministry of Commerce and Industry.

l) Membership certificate bearing membership number W5873P certifying our Company as a member of Confederation of India Industry to our Company.

m) Registration cum membership certificate dated April 01, 2022 issued by EEPC India (formerly Engineering Export Promotion Council).

n) Letter dated March 31, 2022 bearing reference number Memb/AM-3861/2022-23 issued by Federation of Indian Chambers of Commerce and Industry for allotment of membership number.

o) Registration cum membership certificate dated January 24, 2023 issued by Federation of Indian Export Organisations.

p) Membership certificate dated January 14, 2021 bearing reference number 3011/Jan/2023 issued by SME Chamber of India, Small & Medium Business Development Chamber of India.

q) Registration cum Membership Certificate dated April 01, 2022 bearing reference number 201/M07832/2022-23 issued by EEPC India (formerly Engineering Export Promotion Council) and sponsored by Ministry of Commerce & Industry, Government of India.

r) Associate members of FICCI dated May 31, 2022 bearing reference number Memb/AM-3861/2022-23 issued by Federation of Indian Chambers of Commerce and Industry.

s) Registration cum Membership certificate dated January 24, 2023 bearing reference number RCMC/FIEO/01504/2022-23 issued by Federation of Indian Export Organisations.

IV. *Tax Related Approvals*

a) Our Company's permanent account number issued by the Income Tax Department is AACCA6767D

b) Our Company's tax deduction and collection number issued by the Income Tax Department is MUMA14671G.

c) Registration certificate of Goods and Services Tax (Maharashtra) dated March 03, 2018 bearing registration number 27AACCA6767D1ZO issued by the Government of India.

d) Professional Tax Payer Registration Certificate (Maharashtra) dated June 25, 2001 bearing registration number PT/R/1/1125/7391 issued by the Sales Tax Officer, Government of Maharashtra issued under the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975 availed by us for our Registered Office and Factory Premises.

e) Professional Tax Payer Enrolment Certificate (Maharashtra) dated July 04, 2000 bearing registration number PT/E/1/1125/18/1184 issued by the Profession Tax Officer, Government of Maharashtra issued under the Maharashtra Tax on Professions, Trades, Callings and Employment Act, 1975 availed by us for our Registered Office and Factory Premises.

f) Central Excise Registration Certificate dated May 07, 2009 bearing registration number AACA6767DEM003 issued by Central Board of Excise and Customs, Ministry of Finance – Department of Revenue.

V. *Factory Related Approvals*

As mentioned hereinabove, we require various approvals, licenses, registrations and permits to carry on our operations. Some of these may expire in the ordinary course of business and applications for renewal of such approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by our Company for conducting our operations is provided below.

The following is the list of the business related approvals which have been availed for our Manufacturing Unit situated at Plot No. 41, 42/13, 42/14 & 42/18, near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai - 410 208, Maharashtra, India.

Sr. No.	Type of License/Approval	Issuing Authority	Reference/Registration/License No.	Date of Issue/Renewal	Valid up to
1.	Registration of Factory and License to work a factory.	Directorate of Industrial Safety and Health	122002599900	July 13, 2018	December 31, 2023
2.	Certificate of stability issued under Rule 3-A of Maharashtra Factories Rules, 1963	K-Solutions	K Solutions/2022/001	June 21, 2022	
3.	Provisional 'No Objection Certificate' under Maharashtra Fire Prevention and Life Safety Measures Act, 2006	Government of Maharashtra, Office of Fire Advisor	No.136/FA	February 20, 2009	-
4.	License to store compressed gas in pressure vessels under Indian Explosives Act, 1884.	Chief Controller of Explosives	S/HO/MH/03/1453	September 23, 2020	September 30, 2023
5.	License for working of the Lift	Government of Maharashtra,	M/V/N/520/19122020/43665	December 24, 2020	-

Sr. No.	Type of License/Approval	Issuing Authority	Reference/Registration/License No.	Date of Issue/Renewal	Valid up to
		Electrical Inspector (Secretary Licensing Board & Lift Inspector, Mumbai)			
6.	Consent order to operate under S.26 of the Water (Prevention and Control of Pollution) Act, 1974 and under S.21 of the Air (Prevention and Control of Pollution) Act, 1981 and authorisation/renewal under Rule 05 of Hazardous Wastes (Management, Handling & Transboundary Movement) Rules, 2016	Maharashtra Pollution Control Board	RO-Raigad/Consent-1805000402	May 09, 2018	June 30 ,2024
7.	Consent order for establishment under S.26 of the Water (Prevention and Control of Pollution) Act, 1974 and under S.21 of the Air (Prevention and Control of Pollution) Act, 1981 and authorisation/renewal under Rule 05 of Hazardous Wastes (Management, Handling & Transboundary Movement) Rules, 2016	Maharashtra Pollution Control Board	SROR-I/CC/Raigad/22	December 18, 2008	-
8.	Letter granting permission for the use of water connection	Maharashtra Industrial Development Corporation, Office of Executive Engineer	NO/EE/DB/1864/of 2009	August 12, 2009	-
9.	Certificate for permanent implementation of generator set of 1010 kVA capacity	Department of Industry Energy and Labour, Government of Maharashtra	-	2009	-
10.	Certificate of Verification under the Legal Metrology Act, 2009 & The	Inspector of Legal Metrology	9120221069397	September 23, 2022	September 22, 2023

Sr. No.	Type of License/Approval	Issuing Authority	Reference/Registration/License No.	Date of Issue/Renewal	Valid up to
	Maharashtra Legal Metrology (Enforcement) Rules, 2011 for Electronic Sale				
11.	Certificate of Verification under the Legal Metrology Act, 2009 & The Maharashtra Legal Metrology (Enforcement) Rules, 2011 for Iron Hexagonal Weight	Inspector of Legal Metrology	9120211067305	September 20, 2021	September 19, 2023
12.	Certificate of Verification under the Legal Metrology Act, 2009 & The Maharashtra Legal Metrology (Enforcement) Rules, 2011 for Electronic Sale	Inspector of Legal Metrology	9120221069398	September 23, 2022	September 22, 2023
13.	License to store compressed gas in pressure vessel or vessels	-	S/HO/MH/03/1453 (S39617)	Renewed on September 30, 2020	-
14.	Acknowledgment for manufacture of sanitary stainless steel corrugated flexible hose with	Ministry of Commerce & Industry, Secretariat	2037/ SIA/ IMO/ 2009	August 12, 2009	
15.	Certificate of Verification issued for NAWI –Electronic Scale	Inspector of Legal Metrology, Panvel -I	Receipt No. 221069366	September 23, 2022	September 23, 2023
16.	Certificate of Verification issued for Iron Hexagonal Weight	Inspector of Legal Metrology, Panvel -I	Receipt No. 221069367	September 23, 2022	September 23, 2024
17.	Certificate of Verification issued for NAWI –Electronic Scale	Inspector of Legal Metrology, Panvel -I	Receipt No. 221069365	September 23, 2022	September 23, 2023
18.	Certificate of Registration under sub-section (2) of section 7 of CLRA	Office of Registering Officer Raigarh	2310300710024498	March 24, 2023	December 31, 2023
19.	Certificate of membership of CHW-TSDF at MIDC – Taloja for safe and secure disposal of Hazardous waste	Mumbai Waste Management Limited	Membership number – TAL - 3377	-	March 31, 2024

VI. Product and Quality Related Approvals

Sr. No.	Type of License/Approval	Issuing Authority	Reference/Registration/License No.	Date of Issue/Renewal	Valid up to
1.	Quality assurance certificate for '*Stainless Steel Courrugated Flexible Hose Assembly*'	DNV GL Business Assurance Italia	10000327218-PA-ACCREDIA-IND	December 09, 2019	December 08, 2025
2.	Manufacturing Assessment Certificate for '*Metallic Flexible Hoses and Hose Assemblies with or without external wire braiding*'	DNV GL Business Assurance India Private Limited	10000481427-PA-DNV-IND Rev. 0	December 03, 2021	December 02, 2024
3.	Testing Certificate for tests of gas hose assemblies	DBI Gastechnologisches Institut	AENOR UNE 60713 (04/2013)	May 23, 2017	-
4.	Certificate for maintenance of management system as per ISO 9001:2015 for the design, manufacturing and marketing or 'stainless steel braided hoses, unbraided hoses, solar hoses, gas hoses, vacuum hoses, Inconel 625 & 825 hoses, interlock hoses, hose assemblies, lancing hose assemblies, jacketed hose assemblies, exhaust connectors, EGR Tubes, expansion bellows, compensators and related end fittings.'	Certification body at TUV NORD CERT GmnH	44 100 104248	June 7, 2022	July 12, 2025
5.	Certificate of registration issued for maintenance of environmental management system as per ISO 14001:2015 for design, manufacturing and marketing or 'stainless steel braided hoses, without braided hoses, solar hoses, gas hoses, vacuum hoses, hose assemblies, lancing hose assemblies, jacketed hose assemblies, exhaust	British Standards Institution	EMS 571896	December 09, 2011	November 18, 2023

Sr. No.	Type of License/Approval	Issuing Authority	Reference/Registration/License No.	Date of Issue/Renewal	Valid up to
	connectors, EGR Tubes, expansion bellows, compensators and related end fittings.’				
6.	Certificate of registration for maintenance of occupational health and safety management system as per ISO 45001:2018 for design, manufacturing and marketing or ‘stainless steel braided hoses, without braided hoses, solar hoses, gas hoses, vacuum hoses, hose assemblies, lancing hose assemblies, jacketed hose assemblies, exhaust connectors, EGR Tubes, expansion bellows, compensators and related end fittings.	British Standards Institution	OHS 571897	March 10, 2021	November 18, 2023
7.	Type approval certificate	RINA Services S.P.A.	MAC006123XI	February 13, 2023	February 12, 2028
8.	Statement of Conformity for Stainless Steel Corrugated Flexible Hose Assembly	DNV Business Assurance India Private Limited	10000419977-PA-DNV-IND	September 26, 2022	September 25, 2025
9.	Certificate for Accreditation in accordance with ISO/IEC 17025:2017 “General Requirements for the Competence of Testing & Calibration Laboratories”	National Accreditation Board for Testing and Calibration Laboratories	TC- 11145	November 11, 2022	November 10, 2024
10.	Certificate of Product Design Assessment for product ‘Flexible Hose Assemblies’ for model series A100 DN25, Series A200 DN40.	American Bureau of Shipping	23-2356230-PDA	February 24, 2023	February 23, 2028

VII. Environmental related approvals availed by the Company

Sr. No.	Authorisation / Registration	Issuing Authority	Authorisation No. / Registration	Date of Issue	Valid upto

			No. / License No.		
1.	Earth Test Report	D.T.Enterprises (Government Licensed Electrical Contractors)	DTENT/TR/01-AIL/2023-24	December 3, 2022	December 2, 2023
2.	Environmental Testing Report for: Analysis Report for Stack Emmission , Ambient Air Surveillance, Noise Level Monitiroing, Ambient Noise Level, Illumination Level Monitring, Water Sample, Drinking Sample, Inplant Noise Level Monitoring,	Airoclean Associates (Analyst in Air, Water, Pollution & Environmental Consultant; Certified by ISO 9001:2015)	AA/08/21/57	September 19, 2020 and August 20, 2021	-

VIII. Intellectual Property Related Approvals

a) Trademarks

Our Company owns the following trademark:

Sr. No.	Trademark Image	Application Number	Class	Valid Up to
2.		4156339	Class 6	April 24, 2029
3.		1721610	Class 6 and Class 17	August 14, 2028
4.	AEROFLEX	5384336	Class 6, Class 7 and Class 35	-*

** The trademark is objected. Our Company has filed a reply with the Trade Marks Registry. For further details, please refer 'Risk Factor No. – 40. Any inability to protect our intellectual property or any claims that we infringe on the intellctual property rights of others could have a material adverse effect on us' on page 61 of this Prospectus*

b) Copy Right

Sr. No.	Description of work	Registration Number	Title of Work	Valid Up to
1.	Artistic Work	A-146780/2023	Aeroflex	Perpetual

IX. Material approvals of our Subsidiary

a) Certificate of Incorporation dated May 17, 2019 bearing company number 12002556 issued under Companies Act, 2006 by Registrar of Companies England and Wales.

X. Licenses/Approvals for which applications have been made by our Company and Subsidiary which are pending:

Our Company has made the following application for renewal of licenses/approvals:

a) Our Company *vide* application dated June 02, 2023 has applied to Directorate of Maharashtra Fire Services for the Provisional No Objection Certificate under under Maharashtra Fire Prevention and Life Safety Measures Act, 2006;

XI. Licenses / Approvals which are required but not yet applied for by our Company and our Subsidiary:

Nil

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OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

a) The Board pursuant to its resolution dated February 13, 2023, authorized the Offer subject to approval of the shareholders of our Company under S.62(1)(c) of the Companies Act, 2013.

b) The shareholders of our Company have, by a special resolution passed at the EGM held on February 15, 2023 approved and authorised the Fresh issue.

c) The Board and IPO Committee has approved and taken on record the Draft Red Herring Prospectus pursuant to resolution dated March 31, 2023.

d) The Board and IPO Committee has approved and taken on record the Red Herring Prospectus pursuant to resolution dated August 11, 2023, 2023.

e) In-principle approval letter bearing reference number NSE/LIST/2287 dated June 13, 2023 from NSE Limited for listing of our Equity Shares of face value ₹2/- each.

f) In-principle approval letter bearing reference number LO/IPO/SC/IP/98/2023-24 dated June 12, 2023 from BSE for listing of our Equity Shares of face value ₹2/- each.

Approval from Promoter Selling Shareholder

The Promoter Selling Shareholder i.e. Sat Industries Limited has authorised and confirmed its participation in the Offer for Sale as stated below. The Equity Shares of face value ₹2/- each being offered for sale by the Promoter Selling Shareholder have been held for a period of atleast one (01) year immediately preceding the date of this Prospectus.The Selling Shareholder, confirms that the Equity Shares offered by them as part of the Offer for Sale have been held by it in compliance with Regulation 8 of the SEBI ICDR Regulations. For more details, please refer to chapter titled "*Capital Structure*" on page 84.

Promoter Selling Shareholder	Offered Shares of face value ₹2/- each	Date of authorization letter/ Shareholder Resolution	Date of consent letter
Promoter Selling Shareholder	17,500,000	September 16, 2022	July 19, 2023

Promoter Selling Shareholder confirms that it is in compliance with Regulation 8 of the SEBI ICDR Regulations, and they have held their respective portion of the Offered Shares for a period of at least one year prior to the date of filing of the Prospectus.

Prohibition by SEBI or other Governmental Authorities

a. Our Company, the Promoter Selling Shareholder, Directors, Promoter Group entities and the persons in control of our Company are not prohibited from accessing or operating in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court as on the date of this Prospectus;

b. Neither the promoter or any directors of our Company is a promoter or selling shareholder or director or persons acting in control of any other company which is debarred from accessing the capital market by the Board or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court as on the date of this Prospectus;

c. Neither our Company, nor our Promoter or Directors are categorized as Wilful Defaulter or fraudulent borrower

d. Our Company, Promoter or our Directors have not been declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

Directors associated with the Securities Market

None of our Directors are associated with the securities market in any manner. Further, there is no outstanding action initiated against them by SEBI in the five (05) years preceding the date of filing of this Prospectus.

Confirmation in relation to RBI Circular dated July 01, 2016

Neither our Company, nor our Promoter or Directors have been declared as fraudulent borrowers by the lending banks or financial institution or consortium, in terms of the Master Directions on Frauds – Classification and Reporting by commercial banks nor select FIs dated July 1, 2016, as amended, issued by the Reserve Bank of India.

Prohibition by RBI

Neither our Company, nor our Promoter or Directors are categorized as Wilful Defaulter or fraudulent borrower by any bank, financial institution or lending consortium, in accordance with the 'Master Directions on Fraud-Classification and Reporting by commercial banks and select FIs' dated July 1, 2016, as updated, issued by the RBI. For details regarding disclosure pertaining to wilful defaulter, please refer to chapter titled "*Outstanding Litigations and Material Development – Disclosures Pertaining to Wilful Defaulters"* on page 268"

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 6(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with the Restated Consolidated Financial Information, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30.00 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

- Our Company has an average operating profit of at least ₹ 150.00 million, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹10.00 million in each of the three preceding full years (of 12 months each); and

- The name of our Company has not been changed within the last one (01) year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profit and net worth derived from the Restated Consolidated Financial Information included in this Prospectus as at and for the last three (03) years ended March 31, 2023, March 31 2022 and March 31, 2021 are set forth below:

(₹ in million, unless otherwise stated)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net tangible assets[1)]	1,126.76	793.19	572.42

Monetary assets[2)]	62.53	83.29	35.92
Monetary assets, as restated as a % of net tangible assets	5.55%	10.50%	6.27%
Pre-tax Operating profit/ (loss)[3)]	488.14	425.08	185.57
Net worth[4)]	1,121.14	853.36	582.30

1) *Net Tangible Assets has been defined as the sum of all the net assets of the company, excluding intangible assets as defined in Ind AS 38, as applicable, issued by the institute of Chartered Accountants of India, in accordance with regulation 2(1)(gg) of SEBI ICDR Regulations.*
2) *Monetary Assets comprises the sum of current and non-current cash and bank balance.*
3) *Operating Profits has been calculated as profit before tax excluding non-operating other income, finance cost and exceptional items.; The average restated operating profit of the Company for the preceding three fiscals i.e. 2023,2022 and 2021 is ₹ 366.26 million*
4) *For the purposes of the above, "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

Our Company confirms that it is in compliance with 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. The fund requirements set out for the Objects of the Offer are proposed to be met entirely from the Net Proceeds.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted will be not less than 1,000 failing which, the entire application monies shall be refunded forthwith. If our Company does not Allot Equity Shares pursuant to the Issue within six 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 delay period.

Further, our Company confirms that it is not ineligible to make the Offer under Regulation 5 of the SEBI ICDR Regulations to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations, as follows:

a) Neither our Company, nor the Promoter, nor entities forming part of our Promoter Group, nor any of our Directors are debarred from accessing the capital markets by the SEBI.

b) Neither our Promoter nor any of our Directors are promoters or directors or persons in control of companies which are debarred from accessing the capital markets by SEBI

c) Neither our Company, nor Promoter or Directors are categorised as wilful defaulter or fraudulent borrower.

d) Our Promoter or Directors have not been classified as a Fugitive Economic Offender.

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 Prospectus.

***For details of disclosures pertaining to wilful defaulters, please refer to chapter titled "Outstanding Litigations and Material Developments – Disclosures pertaining to Wilful Defaulters*" on page 268.**

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS HERRING PROSPECTUS. THE BRLM, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE 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 ("SEBI ICDR REGULATIONS"). THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING 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 THE DRAFT RED HERRING PROSPECTUS HERRING PROSPECTUS, THE BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 31, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with by the respective parties at the time of filing of the Red Herring Prospectus and Prospectus with the RoC in terms of Section 32 and 26 of the Companies Act, 2013.

Disclaimer from our Company, the Promoter Selling Shareholder, our Directors and the BRLM

Our Company, the Promoter Selling Shareholder, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.aeroflexindia.com or the respective websites of our entities forming part of our Promoter Group or an affiliate of our Company would be doing so at his or her own risk.

It is clarified that neither the Promoter Selling Shareholder nor its directors, affiliates, associates and officers, accept and/or undertake any responsibility for any statement made or undertakings provided other than those made by the Promoter Selling Shareholder, and only in relation to it and/or to the Equity Shares offered by the Promoter Selling Shareholder through the Offer for Sale and included in this Prospectus and anyone placing reliance on any other source of information, including our Company's website www.aeroflexindia.com would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company and the BRLM 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 centers or elsewhere.

None among our Company or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise and the blocking of application amount by RIB bank on receipt of instruction from the Sponsor Bank on account of any error, omission or non-compliance by various parties involved in, or any fault, malfunctioning or break-down in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and their associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Selling Shareholder, entities forming part of our Promoter Group and their respective directors and officers, Subsidiary, 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, our Promoter, , entities forming part of our Promoter Group and Subsidiary, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer in respect of Jurisdiction

The Offer was 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, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, VCFs, FVCIs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), NBFCSIs or trusts under registered applicable trust law and who are authorised under their constitution to hold and invest in 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 IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted non-residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Mumbai, Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that thishas been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Eligibility and Transfer Restrictions

Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those 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.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act, unless made pursuant to available exemptions from the registration requirements of the U.S. Securities Act and in accordance with applicable securities laws of any state of the United States.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus was submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of the Draft Red Herring Prospectus Herring Prospectus, is as follows.

"BSE Limited ("the Exchange") has given vide its letter dated June 12, 2023, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
*b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or *
c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer Clause of NSE

As required, a copy of the Draft Red Herring Prospectus was submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of the Draft Red Herring Prospectus is as follows.

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/2287 dated June 13, 2023, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.
Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Listing

The Equity Shares issued through this Prospectus are proposed to be listed on BSE and NSE Limited. Applications shall be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares of our Company. BSE Ltd. will be the Designated Stock Exchanges 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 any of the Stock Exchanges, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. 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.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within six (06) Working Days of the Bid/Offer Closing Date.

If our Company does not Allot Equity Shares pursuant to the Issue within six (06) Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:

"Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or 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 includes imprisonment for a term of not less than six (06) months extending up to ten (10) years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Consents

Consents in writing of: (a) our Directors, our Promoter, the Promoter Selling Shareholder, our Company Secretary and Compliance Officer, our Chief Financial Officer, Legal Advisor, lenders to our Company, Bankers to our Company and (b) the Statutory Auditors, the BRLM, the Syndicate Members, the Public Offer Bank(s), the Escrow Collection Bank(s), Refund Banker, Sponsor Bank and the Registrar to the Offer, the Monitoring Agency, to act in their respective capacities, have been obtained/will be obtained prior to filing of the Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for filing with RoC.

Our Company has received written consent dated July 12, 2023 from our Statutory Auditors, namely, M/s. Shweta Jain & Co., Chartered Accountants, who hold a valid peer review certificate for inclusion of their report, dated July 12,2023 on the Restated Consolidated Financial Information in this Prospectus and to include their name as required under Section 26(5) of the Companies Act, 2013 in this Prospectus and as an '*expert*' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated July 12, 2023 in the form and context in which it appears in this Prospectus. Such consent has not been withdrawn up to the time of delivery of this Prospectus for filing with SEBI.

Experts

Our Company has received written consent dated July 12, 2023 from our Statutory Auditor, namely, M/s. Shweta Jain & Co., Chartered Accountants , who hold a valid peer review certificate, to include their name as required under Section 26(5) of the Companies Act 2013 in this Prospectus and as an '*expert*' as defined under Section 2(38) of the Companies Act, 2013 in relation to its examination report dated July 12, 2023 on the Restated Consolidated Financial Information and the Statement of Tax Benefits dated July 12, 2023 and such consent has not been withdrawn as of the date of this Prospectus . The term '*expert*' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Particulars regards previous public or rights issues by our Company during the last five years

Our Company has not made any rights issues or any public issue during the five (05) years immediately preceding the date of this Prospectus.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is an initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Capital issue during the previous three (03) years by listed group company, Subsidiary and associates of our Company

As on the date of this Prospectus , our Subsidiary and associates of the Company has not listed its equity shares on any Stock Exchanges in India or overseas.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issue or public issue during the five (05) years immediately preceding the date of this Prospectus .

Performance vis-à-vis objects – Last issue of listed Subsidiary or Associates or Promoter

Our Subsidiary has not listed its equity shares on any Stock Exchanges in India or abroad. Our Subsidiary has not undertaken any public or rights issue in the five (05) years preceding the date of this Prospectus . Our Promoter is a listed company having its equity shares listed on BSE Limited and NSE Limited however, our Promoter has not undertaken a rights issue in the preceding five (05) years from the date this Prospectus .

Undertaking by BRLM

The BRLM i.e., Pantomath Capital Advisors Private Limited specifically undertakes the following that:

i. They have gone through the Articles of Association of the Company and confirm to SEBI that no special rights are available to the Promoter/Entities forming part of Promoter Group/Shareholders in the AoA, at the time of filing of this Prospectus .

ii. The clauses/covenants of the Articles of Association of the Company are in compliance with the Companies Act, 2013 and Securities Law as applicable

Price information of past issues handled by Pantomath Capital Advisors Private Limited:

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	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.	V-Marc India Limited	23.40	39.00	April 9, 2021	46.50	-15.48 % (0.08%)	-31.08 % (7.04%)	-17.74% (20.14)
2.	Exxaro Tiles Limited	160.78	120.00	August 16, 2021	126.00	23.69% (4.93%)	16.19% (9.30%)	1.07% (4.90%)
3.	A B Cotspin India Limited	10.09	35.00	January 11, 2022	38.50	41.82% (-3.28%)	12.60% (-2.11%)	-3.60% (-10.65%)
4.	Sah Polymers Limited	66.30	65.00	January 12, 2023	85.00	-4.24% (-0.01%)	-12.11% (-1.14%)	13.59% (8.39%)
5.	Urban Enviro Waste Management limited	11.42	100.00	June 22, 2023	141.00	- 27.66% (5.19%)	-	-

For details regarding the track record of the Book Running Lead Manager, as specified in the Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please refer to the website www.pantomathgroup.com https://www.pantomathgroup.com/

Sources: All share price data is from www.bseindia.com and www.nseindia.com.

Note:

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index.
2. Prices on BSE/NSE are considered for all of the above calculations.
3. In case the 30th/90th/180th day is a holiday, closing price on BSE/NSE of the previous trading day has been considered.
4. In case 30th/90th/180th days, scrips are not traded then closing price on BSE/NSE of the previous trading day has been considered.

Summary statement of price information of past public issues handled by Pantomath Capital Advisors Private Limited

	Total funds	Nos of IPOs trading at discount on 30th	Nos of IPOs trading at premium on 30th	Nos of IPOs trading at discount on 180th	Nos of IPOs trading at premium on

Financial year	Total no. of IPO	raised (Rs. Cr)	Calendar day from listing date			Calendar day from listing date			Calendar day from listing date			180th Calendar day 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%
21-22	3	194.27	-	-	1	-	1	1	-	-	2	-	-	1
22-23	1	66.30	-	-	1	-	-	-	-	-	-	-	-	1
23-24*	1	11.42	-	1	-	-	-	-	-	-	-	-	-	-

*Upto August 02, 2023

Track record of past issues handled by the Book Running Lead Manager

For details regarding the track record of the Book Running Lead Manager, 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 Manager, i.e., https://www.pantomathgroup.com/

Stock Market Data of the Equity Shares

This was an initial public offering of the Equity Shares of our Company and an Offer for Sale by Promoter Selling Shareholder and hence the Equity Shares are not yet listed on any Stock Exchanges. Thus, there is no stock market data available for the Equity Shares of our Company.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debentures, warrants, securities premium notes, etc. issued by our Company.

Mechanism for Redressal of Investor Grievances

The agreement amongst the Registrar to the Offer and our Company provides for the retention of records with Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach Registrar to the Offer for redressal of their grievances.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three (03) months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹ 100 or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount.

All grievances in relation to the Bidding process may be addressed to the Registrar to this Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the Sole or First Bidder, Bid cum Application Form number, UPI ID (if applicable), Bidder DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of RIBs applying through the UPI Mechanism.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs, Syndicate Members, RTA, CDPs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as 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 Anchor Investor, 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 Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and subject to applicable laws, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, 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.

SEBI, by way of its circular dated March 16, 2021 as amended by its circular dated April 20, 2022, has identified the need to put in place measures, in order to manage and 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. Pursuant to the circular dated March 16, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including:(i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid/Batch; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/ partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalization of the Basis of Allotment.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Our Company, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or Registrar to the Offer or SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be ten (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.

The Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship Committee comprising, of three (03) Directors viz. Harikant Ganeshlal Turgalia, Asad Daud, Arpit Khandelwal to review and redress the shareholder's and investor's grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares For details of the Stakeholders' Relationship Committee, please refer to chapter titled "*Our Management*" on page 187 of thisProspectus .

Our Company has also appointed Kinjal Kamlesh Shah, Company Secretary of our Company, as the Compliance Officer for the Offer and she may be contacted in case of any pre- Offer or post- Offer related problems at the following address:

Kinjal Kamlesh Shah
Company Secretary and Compliance Officer
Registered Office: Plot No. 41, 42/13, 42/14 & 42/18,
Near Taloja MIDC, Village Chal, Behind IGPL,
Panvel, Navi Mumbai - 410 208, Maharashtra, India
Telephone: + 91 22 61467100
Email: corporate@aeroflexindia.com
Website: www.aeroflexindia.com

Our Company has not received investor complaints during the period of three years preceding the date of thisProspectus , hence no investor complaint in relation to our Company is pending as on the date of filing of thisProspectus .

Promoter Selling Shareholder has authorised the Company Secretary and Compliance Officer of our Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of its respective portion of the Offered Shares.

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 a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer.

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

Our Company has not sought any exemption from complying with any provisions of securities laws.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares issued pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of the Draft Red Herring Prospectus the, Red Herring Prospectus and this Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

The Offer comprises Fresh Issue of Equity Shares by our Company and an Offer for Sale by Promoter Selling Shareholder. The entire Offer-related expenses have been borne by our Company only. For further information on the Offer-related expenses and details pertaining to the Offer, please refer to chapters titled "*Objects of the Offer*" on page 100 and "*Offer Structure*" on page 299.

Ranking of the Equity Shares

The Equity Shares being issued pursuant to this Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association, the SEBI Listing Regulations and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to chapter titled "*Description of Equity Shares and Terms of Articles of Association*" on page 330.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines issued by the Government in this regard. Dividends, if any declared by our Company after the date of Allotment, will be payable to the Bidders who have been allotted Equity Shares in this Offer, for the entire year, in accordance with the applicable laws. For further details in relation to dividends, see the sections titled "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" on pages 218 and 330, respectively of this Prospectus.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹2/- per Equity Share. At any given point of time there will be only one denomination for the Equity Shares. The Floor Price of the Equity Shares is ₹102/- and the Cap Price of the Equity Shares is ₹108/-. The Anchor Investor Offer Price is ₹108/-.

The Price Band and the minimum Bid Lot was decided by our Company (acting through its IPO Committee) in consultation with the BRLM and was advertised in all editions of English national newspaper Business Standard ,all editions of Hindi national newspaper Business Standard, and all editions of Marathi newspaper Navshakti (Marathi being the regional language of Maharashtra where our Registered Office is located), each with wide circulation, at least two (2) Working Days prior to the Bid/Offer Opening Date and was made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Offer Price has been determined by our Company (acting through its IPO Committee) in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for purchasing rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any rules and regulations issued by RBI and/ or SEBI; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and the Memorandum of Association and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see the section titled "*Description of Equity Shares and Terms of Articles of Association*" on page 330 of this Prospectus.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in Dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in Dematerialised form. In this context, two tripartite agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated October 25, 2018 between NSDL, our Company and the Registrar to the Offer; and
- Tripartite Agreement dated July 01, 2022 between CDSL, our Company and the Registrar to the Offer.

Our Company's shares bear ISIN no. INE024001021.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one (01) Equity Share. Allotment in the Offer will be only in electronic form in multiples of one (01) Equity Share subject to a minimum Allotment of 130 Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Nomination Facility to Bidders

In accordance with Section 72 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, could have nominated any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer 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 Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or
b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Maharashtra, Mumbai.

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Withdrawal of the Offer

Our Company (acting through its IPO Committee) and the Promoter Selling Shareholder, in consultation with the BRLM, reserve the right not to proceed with the Offer at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company shall issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLM, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also forthwith inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed. If our Company and Promoter Selling Shareholder withdraw the Offer after the Bid/ Offer Closing Date, we shall be required to file a fresh draft offer document with the Board, in the event our Company subsequently decides to proceed with the Offer.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

In the event of failure to make an application for listing by the Company within such period as may be specified by the SEBI from time to time, or non-receipt of the listing permission by the issuer from the Stock Exchanges(s) or withdrawal of the Observation Letter issued by the SEBI, wherever applicable, the securities shall not be eligible for listing and the Company shall be liable to refund the subscription monies, if any, to the respective allottees immediately, along with penal interest for each day of delay at the rate of fifteen per cent per annum from the date of allotment.

Bid/ Offer Programme

BID/OFFER OPENED ON	Tuesday, August 22, 2023*
BID/OFFER CLOSED ON	Thursday, August 24, 2023**#

The Anchor Investor Bid / Offer Period was one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.
 # UPI mandate end time and date was 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 Opened	Tuesday , August 22, 2023
Bid/Offer Closed	Thursday, August 24, 2023
Finalisation of Basis of Allotment with the Designated Stock Exchanges	On or about Tuesday, August 29, 2023
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account or UPI ID linked bank account*	On or about Wednesday, August 30, 2023
Credit of Equity Shares to demat accounts of Allottees	On or about Thursday, August 31, 2023
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Friday, September 1, 2023

**In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100/- per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100/- per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100/- per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100/- per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLM shall be liable for compensating the Bidder at a uniform rate of ₹100/- per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. Further, Bidders shall be entitled to compensation in the manner specified in the circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and circular no.*

SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable, issued by SEBI, and any other applicable law in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the BRLM. The

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six (6) Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Prospectus may result in changes to the above mentioned timelines. Further, the issue procedure is subject to change to any revised SEBI circulars to this effect.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Manager will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time (“**IST**”)
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On the Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.

The Registrar to the Offer has submitted the details of cancelled/withdrawn/deleted applications to the SCSB’s on daily basis within 60 minutes of the Bid closure time from the Bid/Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB’s shall unblock such applications by the closing hours of the Working Day.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs, would be rejected.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in physical Bid cum Application Form, for a particular Bidder the details of the Bid file received from Stock Exchanges may be taken as final data for purposes of Allotment.

To avoid duplication, the facility of re-initiation provided to 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. Any time mentioned in this Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bidders may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public holidays as declared by the Stock Exchanges. Bids will be accepted only during Monday to Friday (excluding any public holiday). Bids by the Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. None of our Company or any member of the Syndicate shall be liable for any failure in (i) uploading or downloading the Bids due to faults in any software/hardware system or otherwise; and (ii) the blocking of application amount by RIBs bank on receipt of instruction from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism. Any time mentioned in this Prospectus is Indian Standard Time. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the Bid cum Application form for a particular Bidder, the details as per the Bid file received from Stock Exchanges shall be taken as the final data for the purpose of Allotment.

In case of force majeure, banking strike or similar circumstances, which are to be recorded in writing, the Bid/Offer Period shall be extended by at least three (3) additional Working Days after such an event, subject to the Bid/Offer Period not exceeding ten (10) Working Days.

Period of operation of subscription list

See the sub-section titled "*Terms of the Offer – Bid/Offer Programme*" on page 294 of this Prospectus .

Minimum Subscription

If the listing or trading permission are not obtained from the Stock Exchanges for the Equity Shares so offered under the Offer document, our Company, shall forthwith refund the entire subscription amount received. If there is a delay beyond four days from the closure of the Offer, our Company and Promoter Selling Shareholder, to the extent applicable, shall pay interest at the rate of 15% per annum or such other amount prescribed under applicable law, including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. The Promoter Selling Shareholder shall be liable to refund money raised in the Offer, only to the extent of its portion of Offered Shares, together with any interest on such amount as per applicable laws. No liability to make any payment of interest shall accrue to the Promoter Selling Shareholder unless any delay in making any of the payments hereunder or any delay in obtaining listing or trading approvals in relation to the Offer is solely attributable to the Promoter Selling Shareholder. All refunds made, interest borne, and expenses incurred (with regard to payment of refunds) by the Company on behalf of the Promoter Selling Shareholder will be adjusted or reimbursed by it to our Company as agreed among our Company and the Promoter Selling Shareholder in writing, in accordance with applicable laws.

The requirement for minimum subscription is not applicable for the Offer for Sale. Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company has ensured that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company (acting through its IPO Committee) and the Promoter Selling Shareholder in consultation with the BRLM and the Designated Stock Exchanges, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

Arrangement for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialised form only and the market lot of our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

The Offer is an issue of Equity Shares and no new financial instruments are issued by our Company through this Offer.

Restrictions on Transfer and Transmission of Equity Shares

Except for lock-in of the pre – Offer Equity Share capital of our Company, Promoters' minimum contribution and the Anchor Investor lock-in Equity Shares as detailed in "*Capital Structure*" beginning on page 84 of this Prospectus and except as provided in the Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on transmission of Equity Shares and on their consolidation/ splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of Articles of Association*" beginning on page 330 of this Prospectus.

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

Further, our Company, in consultation with the BRLM, 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 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 BRLM, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company in consultation with the BRLM 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 Red Herring Prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days of the Bid/ Offer Closing Date or such other time period as prescribed under applicable law; and (ii) the final RoC approval of the Prospectus after it is filed and/ or submitted with the RoC and the Stock Exchanges. 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.

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OFFER STRUCTURE

Initial public offer of 32,500,000^ Equity Shares comprising of a Fresh Issue of 15,000,000 Equity Shares aggregating to ₹1,620.00 million by our Company and the Offer for Sale of 17,500,000 Equity Shares aggregating to ₹1,890.00 million by Promoter Selling Shareholder. The Offer constitutes 25.13% of the post-Offer paid-up Equity Share capital of our Company. The Offer comprises of a Net Offer of 32,000,000 Equity Shares and Holding Company Eligible Shareholders Reservation Portion of 500,000 Equity Shares aggregating ₹ 54.00^ million, constituting 0.39% of our post-Offer paid-up Equity Share capital. The Offer and the Net Offer constitute 25.13% and 24.74%, respectively of the post-Offer paid-up Equity Share capital of our Company.

^Subject to finalization of the Basis of Allotment.

The face value of Equity Shares is ₹2/- each. In terms of Rule 19(2)(b) of the SCRR, the Offer was made through the Book Building Process, in compliance with Regulation 6(1) and 31 of the SEBI ICDR Regulations. The Offer was made through Book Building Process in the manner specified under Schedule XIII of the SEBI ICDR.

Particulars	**Holding Company Eligible Shareholders Reservation Portion**	**QIBs(1)**	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for Allotment / allocation*(2)	500,000 Equity Shares	16,000,000 Equity Shares	4,800,000 Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	11,200,000 Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment/allocation	The Holding Company Eligible Share holder Reservation Portion shall constitute 0.39%^ of the post Offer Equity Share capital of our Company	Not more than 50% of the Offer size. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for allocation to other QIBs.	Not less than 15% of the Offer size or Offer less allocation to QIB Bidders and Retail Individual Bidders subject to the following: a) portion available to Non-Institutional Investors were reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and b) two-third of the portion	Not less than 35% of the Offer size or Offer less allocation to QIB Bidders and Non-Institutional Bidders

Particulars	Holding Company Eligible Shareholders Reservation Portion	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
			available to Non-Institutional Investors were reserved for applicants with an application size of more than ₹ 1.00 million	
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate**	Proportionate as follows (excluding the Anchor Investor Portion): (a) 3,20,001 Equity Shares have been allocated on a proportionate basis to Mutual Funds only; and (b) 60,80,019 Equity Shares have been Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.	The allotment of specified securities to each Non-Institutional Investor was not less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, was allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see "*Offer Procedure*" on page 304 of this Prospectus.
Mode of Bidding	ASBA only (including the UPI Mechanism for SAT Shareholders Bidding under the Holding Company Eligible Shareholders Reservation Portion (subject to the Bid Amount being up to ₹200,000	Only through the ASBA process (excluding the UPI Mechanism) except for Anchor Investors	Only through the ASBA process (including UPI Mechanism for Bids up to ₹ 0.50 million)	Only through the ASBA process (including the UPI Mechanism)

Particulars	Holding Company Eligible Shareholders Reservation Portion	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
	under the UPI Mechanism)			
Minimum Bid	130 Equity Shares and in multiples of 130 Equity Shares, thereafter.	Such number of Equity Shares in multiples of 130 Equity Shares that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of 130 Equity Shares, thereafter.	130 Equity Shares.
Maximum Bid	Such number of Equity Shares and in multiples of 130 Equity Shares such that the Bid Amount does not exceed the Holding Company Eligible Shareholder Reservation Portion	Such number of Equity Shares in multiples of 130 Equity Shares not exceeding the size of the Offer, subject to applicable limits.	Such number of Equity Shares in multiples of 130 Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of 130 Equity Shares so that the Bid Amount does not exceed ₹ 200,000.
Bid Lot	130 Equity Shares and in multiples of 130 Equity Shares, thereafter.			
Allotment Lot	A minimum 130 Equity Shares and in multiples of one Equity Share, thereafter.			
Mode of Allotment	Compulsorily in dematerialized form			
Trading Lot	One Equity Share			
Who can apply[4]	Individuals and HUFs who are the public equity shareholders of SAT Industries Limited, (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines and depository receipt holders of SAT) as on the date of this Prospectus.	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs other than Category III foreign portfolio investors, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III foreign portfolio investors and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	Holding Company Eligible Shareholders Reservation Portion	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
		corpus of ₹ 250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies (as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations).		
Terms of Payment (5)	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA (excluding for Anchor Investors) Form at the time of submission of the ASBA Form and in case of UPI as an alternate mechanism, Bid amount shall be blocked at the time of confirmation of mandate collection request by applicant. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids. (3)			

** Assuming full subscription in the Offer.*

. Further, subject to valid bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Category, would be metwith spill-over from any other category or categories, as applicable, at the discretion of our Company and the Selling Shareholder in consultation with Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws. Bidders bidding in the Holding Company Eligible Shareholders Reservation can also Bid under the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. To clarify, a Holding Company Eligible Shareholders Bidding in the Holding Company Eligible Shareholders Reservation Portion above ₹200,000 can Bid in the Net Offer for up to ₹200,000, otherwise such Bids will be treated as multiple Bids and both the Bids will be cancelled. If Holding Company Eligible Shareholders are Bidding in the Holding Company Eligible Shareholders Reservation Portion up to ₹200,000, application by such Holding Company Eligible Shareholder in Retail Portion or Non-Institutional Portion, shall not be treated as multiple Bids. Therefore, SAT Shareholders bidding in the Holding Company Eligible Shareholders Reservation Portion (subject to the Bid Amount being up to ₹200,000) can also Bid under the Net Offer and such Bids will not be treated as multiple Bids.

(1) Our Company (acting through its IPO Committee) and the Promoter Selling Shareholder has, in consultation with the BRLM allocated up to 60% of the QIB Category to Anchor Investors on a discretionary basis. One-third (1/3) of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. Such number of Equity Shares representing 5% of the Net QIB Portion were available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion was 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 as specified above, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs.

(2) Subject to valid Bids being received at or above the Offer Price. This Offer was being made in accordance with Rule 19(2)(b) of the SCRR and is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer was available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion was available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion was available for allocation on a proportionate basis to QIBs (other than Anchor Investors), 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 as specified above, the

balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Offer was available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Offer was available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.

(3) Full Bid Amount was payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form. 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. For details of terms of payment applicable to Anchor Investors, see "Offer Procedure" on page 304 of this Prospectus.

(4) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. 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.

(5)SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 0.50 million, shall use UPI. Eligible Employees Bidding under Employee Reservation Portion for up to ₹ 0.50 million, and individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 0.20 million and up to ₹ 0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Note: Bidders were required to confirm and were deemed to have represented to our Company, the Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company (acting through its IPO Committee) in consultation with the BRLM and the Designated Stock Exchanges, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Offer*" on page 291 of this Prospectus.

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OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the amendments to the SEBI ICDR Regulations and provisions of the Companies Act to the extent applicable to a public issue and any other enactments and regulations. The General Information Document shall also be made available on the websites of the Stock Exchanges and the BRLM. 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 RIBs 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.*

All Designated Intermediaries in relation to the Offer should ensure compliance with the SEBI circular (CIR/CFD/POLICELL/11/2015) dated November 10, 2015, as amended and modified by SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended and modified by SEBI Circulars (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 and (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, SEBI circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part of this Prospectus.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("CAN") and Allotment in the Offer; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus.

Book Building Procedure

The Offer was made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer was Allotted to QIBs on a proportionate basis, provided that our Company (acting through its IPO Committee) in consultation with the BRLM did allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one -third was reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the net QIB Category (excluding the Anchor Investor Portion) was made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category was made available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer was made available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer was made available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids 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 (acting through its IPO Committee) in consultation with the BRLM and the Designated Stock Exchanges.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, UPI ID (for RIBs using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity shares rematerialised subsequent to allotment of Equity shares in the IPO.

Phased Implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, amongst others, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

The Offer was made under UPI Phase II of the UPI Circular.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company has appointed one of the SCSBs as a sponsor banks to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the Retail Individual Bidders using the UPI.

For further details, please refer to the General Information Document available on the websites of the Stock Exchanges, and the BRLM.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus were made available with the Designated Intermediaries at the relevant Bidding Centres, and our Registered and Corporate Office. An electronic copy of the ASBA Form was also available for download on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

Copies of Anchor Investor Application Form was available at the offices of the BRLM.

All Bidders (other than Anchor Investors) mandatorily participated in the Offer only through the ASBA process. RIBs were mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and were allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors were not permitted to participate in the Offer through the ASBA process.

RIBs bidding using the UPI Mechanism did provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID were liable to be rejected.

ASBA Bidders (including Bidders using UPI Mechanism) did provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details were liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Bids submitted by Retail Individual Investors with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID were liable to be rejected. Retail Individual Bidders Bidding using the UPI Mechanism did have an option to apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI. Applications made using third party bank account or using third party linked bank account UPI ID were liable to be rejected.

ASBA Bidders were to ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp were liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders were to ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Banks, as applicable, at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The Sponsor Banks have hosted a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The prescribed color of the Bid cum Application Form for the various categories was 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^	White
Non-Residents including FPIs or FVCIs (including their sub-accounts), Eligible NRIs applying on a repatriation basis, registered multilateral and bilateral development financial institutions applying on a repatriation basis^	Blue
Anchor Investors**	White

**Excluding electronic Bid cum Application Forms*
***Anchor Investors Application forms will be made available only at the Office of the BRLM*
^ Electronic Bid cum Application Forms will also be available for download on the website of the BSE and NSE.

In case of ASBA Forms, the relevant Designated Intermediaries were to 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. For RIBs using 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 RIBs for blocking of funds.

For ASBA Forms (other than RIBs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Banks were to initiate request for blocking of funds through NPCI to RIBs, who did accept the UPI mandate request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI mandate requests, the Sponsor Banks did initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Offer Closing Date ("Cut-Off Time"). Accordingly, RIBs Bidding using through the UPI Mechanism were to 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 NPCI was to mandatorily maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Banks, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer was to mandatorily provide the audit trail to the BRLM for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

Applications through UPI were to be made only through the SCSBs / mobile applications (apps) whose name appears on the SEBI website – www.sebi.gov.in at the following path:

Home » Intermediaries/Market Infrastructure Institutions » Recognised Intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI

A list of SCSBs and mobile application, which, as on date of the Red Herring Prospectus were live for applying in public issues using UPI mechanism is available on the SEBI website. The RIIs shall submit applications only through the UPI mechanism, which would be the only permissible mode. Therefore the process of an investor submitting bid cum-application form with any intermediary along with bank account details, and movement of such application forms from intermediaries to SCSBs for blocking of funds, has been discontinued by SEBI vide its circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019.

An investor shall was to ensure that when applying in this Offer using the UPI mechanism, the name of his Bank should appear in the list of SCSBs which is displayed on the SEBI website indicting the names of those banks which are live on UPI. Further, he shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

Investors whose bank was not live on UPI, may use the other alternate channels available to them viz. submission of application form with SCSB or using the facility of linked online trading, demat and bank account.

An application made using incorrect UPI handle or using a bank account of an SCSBs or bank which is not mentioned in the aforesaid list was liable to be rejected. After the implementation of UPI phase III, the RIBs will not have the option of submitting bid-cum application form with any of the intermediaries for blocking of funds and making bids.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Electronic Registration of Bids

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries did upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchanges Platform during the Bid/ Offer Period after which the Stock Exchanges(s) send the bid information to the Registrar to the Issue for further processing.

Participation of Promoter and members of the Promoter Group of our Company, the BRLM and the Syndicate Members

The BRLM and the Syndicate Members were not allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members were allowed to 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, where the allocation is on a proportionate basis and such subscription was on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM and Syndicate Members, was treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLM or any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), our Promoter and entities forming part of our Promoter Group were not allowed to apply in this Offer.

Except as stated below, neither the BRLM nor any person related to the BRLM was allowed to apply in this Offer under the Anchor Investor Portion:

- Mutual funds sponsored by entities which are associated of BRLM:

- Insurance companies promoted by entities which are associate of the BRLM;

- AIFs sponsored by entities which are associate of BRLM;

- FPIs other than individuals, corporate bodies and family offices sponsored by entities which are associate of the BRLM; or

- Person related to Promoter and entities forming part of the Promoter Group. Further, an Anchor Investor shall be deemed to be an 'associate of BRLM' if:

    i. either one 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 a nominee director amongst the Anchor Investors and the BRLM

Who can Bid?

In addition to the category of Bidders, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Scientific research organizations authorised in India to invest in the Equity Shares; and

- Any other persons eligible to Bid in the Offer under the laws, rules, regulations, guidelines and policies applicable to them.

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 reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds were to 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 was 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 was allowed to invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs had the option to obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange were considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis were advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs Bidding on a repatriation basis were advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Participation of Eligible NRI(s) in the Offer was subjected to the FEMA Rules.

Bids by HUFs

Hindu Undivided Families or HUFs, were to apply in the individual name of the Karta. The Bidder/Applicant should specify in the Bid cum Application form, that the Bid being made in the name of the HUF, as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs could be up to 100%, being the sectoral cap of the paid-up equity share capital of our Company on a fully diluted basis.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wished to participate in the Offer were advised to use the Bid cum Application Form for Non-Residents (Blue in colour).

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. With effect from April 1, 2020, the aggregate limits for FPI investments are the sectoral caps applicable to our Company (i.e. up to 100% under the automatic route).

The FEMA Non-Debt Instruments Rules was enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession.

FPIs were permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalization 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 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 RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;

b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;

c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI;

d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

• FPIs which utilise the multi investment manager ("MIM") structure;
• Offshore derivative instruments 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;

Bids by SEBI registered Venture Capital Funds, Alternate Investment Funds and Foreign Venture Capital Investors

The SEBI FVCI Regulations, as amended and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking 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 by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third ($1/3^{rd}$) of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up. Our Company and BRLM is not responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, was to be mandatorily be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company (acting through its IPO Committee) in consultation with the BRLM reserves the right to reject any Bid without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if:
(i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or
(ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time -bound action plan for disposal of such shares within a specified period to the RBI.

A banking company would require a prior approval of the RBI to make:
(i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and
(ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

Further, the aggregate investment by a banking company in Subsidiary and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (No. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI was to be mandatorily attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended are broadly set forth below:

(a) equity shares of a company: the lower of 10% of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(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 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 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.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund was to be mandatorily be attached to the Bid cum Application Form. Failing this, our Company (acting through its IPO Committee) in consultation with the BRLM reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company (acting through its IPO Committee) in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, a certified copy of (i) the certificate of registration issued by the RBI, (ii) a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s) and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, was to be mandatorily attached to the Bid-cum Application Form.

Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Systemically important non-banking financial companies who participates in the Offer were to mandatorily comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

Our Company (acting through its IPO Committee) in consultation with the BRLM, considered participation by Anchor Investors in the Offer for upto 60% of the QIB Portion in accordance with the SEBI ICDR Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI ICDR Regulations are eligible to invest. The QIB Portion was reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the Net QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

i. Anchor Investor Application Forms were made available for the Anchor Investor Portion at the offices of the BRLM.

ii. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60 % of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

iii. One-third of the Anchor Investor Portion was reserved for allocation to domestic Mutual Funds.

iv. Bidding for Anchor Investors was open one Working Day before the Bid/Offer Opening Date, i.e., the Anchor Investor Bidding Date, and was completed on the same day.

v. Our Company (acting through its IPO Committee) in consultation with the BRLM finalised allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion is not less than:

a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;

b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and

c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum allotment of ₹50 million per Anchor Investor.

vi. 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 the BRLM before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

vii. Anchor Investors were not allowed to withdraw or lower the size of their Bids at any stage after submission of the Bid.

viii. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

ix. The BRLM or any associates of the BRLM (other than mutual funds sponsored by entities which are associate of the BRLM or insurance companies promoted by entities which are associate of the BRLM or Alternate Investment Funds (AIFs) sponsored by the entities which are associate of the BRLM or FPIs other than Category III sponsored by the entities which are associate of the BRLM), our Promoter, Promoter Group or any person related to them have not participated in the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has any of the following rights shall be deemed to be a person related to the promoter or promoter group of the issuer: (i) rights under a shareholders' agreement or voting agreement entered into with promoter or promoter group of the issuer; or (ii) veto rights; or (iii) right to appoint any nominee director on the board of the issuer. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.

x. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

xi. Anchor Investors were not permitted to Bid in the Offer through the ASBA process.

xii. For more information, see the General Information Document.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus . Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus. The investment limits for Systemically Important Non-Banking Financial Companies shall be as prescribed by RBI from time to time.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Pre- Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company has, after filing the Red Herring Prospectus with the RoC, published a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of English national newspaper Business Standard; (ii) all editions of Hindi national newspaper Business Standard; and (iii) all editions of Marathi newspaper Navshakti, each with wide circulation.

In the pre-Offer advertisement, we have stated 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.

Allotment Advertisement

Our Company, the BRLM and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of English national daily newspaper, Business Standard, all editions of Hindi national daily newspaper, Business Standard and all editions of the Marathi daily newspaper Navshakti (Marathi being the regional language of Maharashtra, where our Registered Office is located).

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Promoter Selling Shareholder Syndicate Members and the Underwriters have entered into an Underwriting Agreement dated August 25, 2023

(b) Updated Red Herring Prospectus containing entire details is filed with the RoC in accordance with applicable law, which is to be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Investors were 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 were allowed revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors were not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Retail Individual Investors using the UPI Mechanism must mention their correct UPI ID and shall use only his/her own bank account which is linked to such UPI ID;

4. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;

5. Retail Individual Investors Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;

8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. RIIs using UPI Mechanism, may submit their ASBA Forms with Syndicate, sub-Syndicate Members, Registered Brokers, RTA or CDP;

9. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;

10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

12. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;

13. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

14. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, 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 a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

16. Ensure that the Demographic Details are updated, true and correct in all respects;

17. 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;

18. 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;

19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;

20. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

21. Retail Individual Investors Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

22. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;

23. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

24. 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;

25. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

26. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

27. Retail Individual Investors Bidding using the 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 authorization of the mandate using his/her UPI PIN, the Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;

28. Retail Individual Investors 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. Retail Individual Investors Bidding 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 Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account 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 recategorised as category II FPI and registered with SEBI, for a Bid Amount of less than ₹200,000 would be considered under the Retail Portion 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 BRLM.

32. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00p.m. of the Working Day immediately after the Bid/Offer Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

5. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;

6. Anchor Investors should not Bid through the ASBA process;

7. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;

8. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

9. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

12. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

13. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;

14. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

15. If you are a RII and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID

16. Do not submit the General Index Register (GIR) number instead of the PAN;

17. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

18. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Investors Bidding using the

19. UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

20. 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 until the Bid/Offer Closing Date;

21. 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;

22. 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 Retail Individual Investors using the UPI Mechanism;

23. 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;

24. 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);

25. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a Retail Individual Investor Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;

26. Do not submit a Bid using UPI ID, if you are not a Retail Individual Investor;

27. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;

28. Anchor Investors shall not bid through the ASBA Process;

29. Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;

30. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism); and

31. Do not bid if you are an OCB

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/withdrawn/deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLM shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Further, helpline details of the BRLM pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 are set forth in the table below:

S. No.	Name of the BRLM	Email
1.	Pantomath Capital Advisors Private Limited	ipo@pantomathgroup.com

Names of entities responsible for finalizing the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchanges, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations or as may be prescribed by SEBI from time to time.

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 document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchanges. Further, upon oversubscription, an allotment of not more than 1% of the net offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual 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.

For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the Red Herring Prospectus or this Prospectus.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Promoter Selling Shareholders in consultation with the BRLM, in their absolute discretion, has decided 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 were not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT). The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

a. In case of resident Anchor Investors: "Aeroflex Industries Limited – Anchor Resident Escrow Account"
b. In case of non-resident Anchor Investors: "Aeroflex Industries Limited – Anchor Non-Resident Escrow Account"

Anchor Investors were to note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Promoter Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collection of Bid Amounts from Anchor Investors.

Allotment Procedure and Basis of Allotment

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors was on proportionate basis. No Retail Individual Bidder will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Offer is required to receive a minimum subscription of 90% of the Offer.

Allotment to RIBs

Bids received from the RIBs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Portion at or above the Offer Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Portion at or above the Offer Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("**Maximum RIB Allottees**").

The Allotment to the RIBs will then be made in the following manner:

1. In the event the number of RIBs who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance

available Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

2. In the event the number of RIBs who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

Allotment to NIBs

Bids received from NIBs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

Allotment to QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2018, the Red Herring Prospectus or this Prospectus. Bids received from QIBs Bidding in the QIB Portion (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Portion may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

1. In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Portion; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs;

2. In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Portion, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Undersubscription below 5% of the QIB Portion, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

Allotment to Anchor Investor (if applicable)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of our Company (acting through its IPO Committee) in consultation with the Book Running Lead Manager, subject to compliance with the following requirements:

i. not more than 60 % of the QIB Portion will be allocated to Anchor Investors;
ii. 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 price at which allocation is being done to other Anchor Investors; and
iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 100 million;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹2,500 million subject to minimum Allotment of ₹50 million per such Anchor Investor; and

- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation more than ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof, subject to minimum Allotment of ₹50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹ 100 million in the Offer.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company (acting through its IPO Committee) in consultation with the Book Running Lead Manager, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) In the event that the Offer Price is higher than the Anchor Investor Offer Price, Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) In the event the Offer Price is lower than the Anchor Investor Issue Price, Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

Basis of allotment for QIBs (other than Anchor Investors), NIBs and Reserved Category in case of over-subscribed issue.

In the event of the Offer being over-subscribed, our Company (acting through its IPO Committee) in consultation with the BRLM may finalise the Basis of Allotment with the approval of the Designated Stock Exchanges in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

Designated Date and Allotment of Equity Shares

(a) Designated Date: On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Offer Account with the Banker to the Offer. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) Issuance of Allotment Advice: Upon approval of the Basis of Allotment by the Designated Stock Exchanges, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of Equity Shares to the successful Bidders'/Applicants' Depository Account will be completed within six (6) Working Days of the Bid/Offer Closing Date.

Our Company shall ensure that "at par" facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.

Payment into Escrow Account for Anchor Investors

Our Company (acting through its IPO Committee) in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "Aeroflex Industries Limited IPO Escrow-Anchor Investor-R"

(b) In case of Non-Resident Anchor Investors: "Aeroflex Industries Limited IPO Escrow-Anchor Investor-NR"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among the Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated October 25, 2018 amongst NSDL, the Company and Registrar to the Offer.
- Agreement dated July 01, 2022 amongst CDSL, the Company and Registrar to the Offer

The above information is given for the benefit of the Bidders/applicants. Our Company, the Promoter Selling Shareholder and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Undertakings by our Company

Our Company undertakes the following:

1. Adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Forms from Anchor Investors;

2. The complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

3. 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 six (6) Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI;

4. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;

5. The funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

6. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

7. Promoters' contribution, if any, shall be brought in advance before the Bid/Offer Opening Date.

8. The Allotment advice / refund confirmation to Eligible NRIs shall be dispatched within specified time, subject to availability of postal services in India;

9. No further issue of the Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.;

10. If our Company does not proceed with the Offer after the Bid/Offer Closing Date, 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 advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

11. If our Company, withdraws the Offer at any stage including after closure of bidding, our Company shall be required to file a fresh draft offer document with the Board, in the event our Company subsequently decide to proceed with the Issue; and

12. Our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchangeswhere listing is sought has been received.

Undertakings by the Promoter Selling Shareholder

The Promoter Selling Shareholder specifically undertakes and/or confirms the following in respect of itself and its portion of the Offered Shares:

i. it is the legal and beneficial holder and has full title to its respective portion of the Offered Shares;

ii. its respective portion of the Offered Shares are fully paid and are in dematerialized form;

iii. its portion of the Offered Shares are free and clear of any encumbrances, and shall be transferred to the Bidders within the time specified under applicable law;

iv. it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose of any of its portion of the Offered Shares being offered pursuant to the Offer until such time that the lock-in remains effective save and except as may be permitted under the SEBI ICDR Regulations;

v. that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLM in redressal of such investor grievances that pertain to its portion of the Offered Shares, and

vi. it 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 all the Stock Exchanges in accordance with applicable law.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price, have been taken by our Company (acting through its IPO Committee) in consultation with the BRLM.

The statements and undertakings provided above, in relation to the Promoter Selling Shareholder are statements, which are specifically confirmed or undertaken, by the Promoter Selling Shareholder in relation to itself and its respective portion of the Offered Shares. All other statements, undertakings, or both in this Prospectus in relation to the Promoter Selling Shareholder, shall be statements made by our Company, even if the same relate to the Promoter Selling Shareholder.

Undertaking by BRLM

The BRLM i.e., Pantomath Capital Advisors Private Limited specifically undertakes the following that:

iii. They have gone through the Articles of Association of the Company and confirm to SEBI that no special rights are available to the Promoter/Entities forming part of Promoter Group/Shareholders in the AoA, at the time of filing of this Prospectus.

iv. The clauses/covenants of the Articles of Association of the Company are in compliance with the Companies Act, 2013 and Securities Law as applicable

Filing

A copy of the Draft Red Herring Prospectus dated March 31, 2023 was submitted to SEBI by way of an Email at cfddil@sebi.gov.in in accordance with the instructions issued by the SEBI through it's circular dated March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD" and will be filed with SEBI electronically on the SEBI intermediary portal at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus dated August 11, 2023, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 was filed with the RoC, and a copy of the Prospectus has been filed with the RoC at its office located at the Registrar of Companies, Mumbai Everest, 100, Marine Road, Mumbai – 400002, Maharashtra, India as required under Sections 26 and 32 of the Companies Act, 2013 and through the electronic portal at https://www.mca.gov.in/mcafoportal/login.do

Utilisation of Offer Proceeds

Our Board of Directors certifies that:

- All monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- Details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- Details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**") makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DIPP also issues the Consolidated Foreign Direct Investment Policy ("**FDI Policy**") from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

India's current FDI Policy issued by the DIPP with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP till October 15, 2020. All the press notes, press releases, clarifications on FDI issued by DIPP till October 15, 2020 stand rescinded as on October 15, 2020. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

Further, the existing individual and aggregate investment limits for an FPI in our Company are not exceeding 10% of the total paid-up Equity Share capital of our Company for each FPI and the total holdings of all FPIs in the Company shall not exceed 24% of the total paid-up Equity Share capital of our Company. The RBI, in exercise of its power under the FEMA, has also notified Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. SEBI registered FPIs have been permitted to purchase shares of an Indian company through the Issue, subject to total FPI investment being within the individual FPI/sub account investment limit of less than 10% of the total paid-up equity capital on a fully diluted basis of the Company subject to the total holdings of all FPIs/sub accounts including any other direct and indirect foreign investments in the Company shall not exceed 24% of the paid-up equity capital of the Company on a fully diluted basis. The aggregate limit of 24% in case of FPIs may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Company concerned by passing of resolution by the Board of the Company to that effect and by passing of a special resolution to that effect by its Shareholders. With effect from April 1, 2020, the aggregate limit of 24% has increased to the sectoral cap applicable to the Indian Company which in case of the Company is 100%. As per the Regulations, the aggregate limit as provided above was permitted to be decreased by the Company to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors through a resolution and also of its shareholders by means of a special resolution, before March 31, 2021. The Company has passed no such Board Resolution and hence, has not revised its sectoral caps have not been reduced in the past. Our Company falls within the applicable statutory ceiling limits which stand at 100% for the manufacturing sector under the FDI Policy. Further, eligible NRIs and OCIs investing on repatriation basis are subject to individual investment limit of 5% of the total paid-up equity capital on a fully diluted basis subject to the aggregate paid-value of the shares purchased by all NRIs and OCIs put together on repatriation basis not exceeding 10% of the total paid-up equity capital on a fully diluted basis of the Company. The aggregate limit of 10% in case of NRIs and OCIs together may be raised to 24 % if a special resolution to that effect is passed by the shareholders of the Company. The shareholders of our Company have passed the necessary resolutions approving the increase in the investments limits for FPIs, NRIs and OCIs.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

As per the existing policy of the Government of India, OCBs were not allowed to participate in this Offer.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject

to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale 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 offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the Bids are not in violation of laws or regulations applicable to them.

SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Article No.	Articles	Particulars
1.		**INTERPRETATION CLAUSE**
	"**Act**"	means "The Companies Act, 2013" or any previous enactment thereof, or any statutory modifications thereto or re-enactment thereof and includes any Rules and Regulations framed thereunder
	"**Articles**"	means the Articles of Association of a Company, as originally framed or as altered from time to time or applied in pursuance of any previous company law or the Companies Act, 2013.
	"**Annual General Meeting**"	means a General Meeting of the Members held in accordance with the provisions of the Section 96 of the Act or any adjourned meeting thereof.
	"**Auditors**"	means and include those persons appointed as such for the time being in force by the Company or, where so permitted by Applicable Law, by its Board.
	"**Applicable Law**"	means the Act, and as appropriate, includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction or any similar form of decision of or determination by or any interpretation or administration having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question or mandatory standards as may be applicable from time to time.
	"**Agency**"	means agency approved or recognized by the Ministry of Corporate Affairs and appointed by the Board for providing and supervising electronic platform for voting.
	"Board of Directors" or **"Board"**	in relation to a company, means the collectively body of the directors of the Company.
	"Board Meeting"	means a meeting of the Directors or a committee thereof duly called and constituted.
	"Beneficial Owner"	means and include beneficial owner as defined in clause (a) sub section (1) of Section 2 of the Depositories Act, 1996 or such other Act as may be applicable.
	"Capital"	means the share capital for the time being raised or authorized to be raised for the purpose of the Company.
	"Committee"	means any committee of the Board of Directors of the Company formed as per requirements of Act or for any other purpose as the board may deem fit.
	"Company limited by Shares"	means a Company having the liability of its member limited by the memorandum to the amount, if any, unpaid on the shares respectively held by them.
	"**Chairman**"	means the Chairman appointed by SAT INDUSTRIES LIMITED and/or its authorized representative to preside over Board, Committee and General Meetings.
	"Chief Executive Officer"	means an officer of a Company, who has been designated as such by the Company.
	"Chief Financial Officer"	means a person appointed as the Chief Financial Officer of a Company.
	"Company Secretary" or "Secretary"	means a Company Secretary as defined in clause (c) of sub section(1) of section 2 of the Company Secretaries Act,1980 (56

	of 1980) who is appointed by the Company to perform the functions of a Company Secretary under this Act;
“Debenture”	includes debenture-stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the Company or not;
“Depositories Act”	means the Depositories Act, 1966 and includes any statutory medication or enactment thereof.
“Depository”	means a depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996 (22 of 1996) and includes a company formed and registered under the Companies Act,1956 which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India,1992.
“**Director**”	means a director appointed to the Board of a Company.
“Dividend”	Includes any interim dividend
“Extraordinary General Meeting”	means an Extraordinary General Meeting of Members duly called and constituted and any adjourned holding thereof.;
“Electronic Mode”	means carrying out electronically based, whether main server is installed in India or not, including, but not limited to: i. business to business and business to consumer transactions, data interchange and other digital supply transactions; ii. offering to accept deposits or inviting deposits or accepting deposits or subscriptions in securities, in India or from citizens of India; iii. financial settlements, web based marketing, advisory and transactional services, data based services and products, supply chain management; iv. Online services such as telemarketing, telecommunicating, telemedicine, education and information research; and all related data communication services. v. Facsimile telecommunication when directed to the facsimile number or electronic mail directed to electronic mail address, using any electronic communication mechanism that the message so sent, received or forwarded is storable and retrievable; vi. Posting of an electronic message board or network that the Company or the officer has designated for such communications, and which transmission shall be validity delivered upon the posting; vii. Other means of electronic communication, in respect of which the Company or the officer has put in place reasonable systems to verify that the sender is the person purporting to send the transmission; and viii. Video conferencing, audio-visual mode, net conferencing and/or any other electronic communication facility.
“Financial Year”	means the period ending on the 31st day of the March every year.
“Free Reserves”	means such reserves which, as per the latest audited balance sheet of a Company, are available for distribution as Dividend; **Provided that** – i. any amount representing unrealised gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or

	ii. any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not treated as free reserves.
"In Writing" and "Written"	means and includes printing, typing, lithography, computer mode and other modes of representing, reproducing words in a visible form.
“Invitee”	means a person, other than a Director and Company Secretary, who attends a particular Meeting by invitation.
“Independent Director”	means a Director fulfilling the criteria of independence and duly appointed as per Applicable Law.
“Key Managerial Personnel”	means such persons as defined in section 2(51) of Act.
“Managing Director”	means a Director who, by virtue of the Articles of the Company or an agreement with the Company or a resolution passed in its General Meeting, or by its 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.
“Members”	in relation to a company, means –(a) the subscribers to the Memorandum of Association of the Company shall be deemed to have agreed to become members of the Company, and on its registration, shall be entered as member in its register of members, (b) every other person who agrees in writing to become a member of the Company and whose name is entered in the register of members of the Company; (c) every person holding shares in the Company and whose name is entered in Register of Beneficial Owners as Beneficial Owner.
“Meeting” or “General Meeting”	means a Meeting of the Members of the Company.
“Minutes”	means a formal written record, in physical or electronic form, of the proceedings of a Meeting.
“Minutes Book”	means a Book maintained in physical or in electronic form, of the proceedings of a Meeting.
"Month"	means a calendar month.
“Maintenance”	means keeping of registers and records either in physical or electronic form , as may be permitted under any law for the time being in force , and includes the making of appropriate entries therein , the authentication of such entries and the preservation of such physical or electronic records.
“National Holiday”	includes Republic Day i.e. 26th January, Independence Day i.e. 15th August, Gandhi Jayanti i.e. 2nd October and such other day as may be declared as National Holiday by the Central Government.
“Office”	means the Registered Office of the Company.
“Ordinary Business”	means business to be transacted at an Annual General Meeting relating to; i. the consideration of financial statements, consolidated financial statements, if any, and the reports of the Board of Directors and Auditors; ii. the declaration of any dividend; iii. the appointment of Directors in the place of those retiring; and iv. the appointment or ratification thereof and fixing of remuneration of the Auditors.
"Ordinary Resolution"	shall have the meaning assigned thereto by Section 114 of the Act.
“Quorum”	means the minimum number of Directors whose presence is necessary for holding of a Meeting.

“Persons”	includes corporations as well as individuals.
“Paid-up share 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 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;
“Proxy”	means an instrument in writing signed by a Member, authorizing another person, whether a Member or not, to attend and vote on his behalf at a Meeting and also where the context so requires, the person so appointed by a Member.
“Postal Ballot”	means voting by post through any electronic mode as permitted under Applicable law.
“Register of Members”	means the register of members, including any foreign register which the Company may maintain to pursuant to the Act and includes Register of Beneficial Owners.
“Register of Beneficial Owners”	means the register of Members, in case of shares held with a Depository in any media as may be permitted by law, including in any form of electronic mode.
“Registrar"	means the Registrar of Companies in the state in which the registered office of the Company may be situated.
“Remote e-voting”	means the facility of casting votes by a Member using an electronic voting system from place other than venue of a General Meeting.
“Seal”	means the Common Seal of the Company.
“Securities”	mean shares, Debentures and/or such other securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956
“Shares”	means the shares into which the Capital of the company is divided whether held in tangible or fungible form
“Small Shareholder”	means a shareholder holding shares of the nominal value of not more than twenty thousand rupees or such other sum as may be prescribed under Applicable Law.
‘‘Secured Computer System”	means computer hardware, software and procedure that – a) are reasonably secure from unauthorized access and misuse; b) provide a reasonable level of reliability and correct operation; (c) are reasonably suited to performing the intended functions; and (d) adhere to generally accepted security procedures.
“Secretarial Auditor”	means a Company Secretary in a practice appointed in pursuance of the Act to conduct the Secretarial Audit of the Company.
“Special Business”	means business other than the Ordinary business to be transacted at an Annual General Meeting and all business to be transacted at any other General Meeting.
“Special Resolution”	means a resolution referred to in Section 114 of the Act.
“The Company” or “This Company”	means **AEROFLEX INDUSTRIES LIMITED**
“These Present”	means the Memorandum of Association and the Articles of Association of the Company.
“Time Stamp”	means the current time of an event that is recorded by a secured Computer System and is used to describe the time that is printed to a file or other location to help keep track of when data is added, removed, sent or received.
“Whole-time director”	includes a director in the whole time employment of the Company.
“Year"	means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2 (41) of the Act.
	Term(s) and phrases not specifically defined in these Articles shall bear the same meaning as assigned to the same in the Act. Reference to the singular includes reference to the plural and vice versa;

		Reference to any gender includes a reference to all genders;
2.	**ARTICLES TO BE CONTEMPORARY IN NATURE**	
	The intention of these Articles is to be in consonance with the contemporary rules and regulation prevailing in India. If there is an amendment in any Act, rules and regulations allowing what were not previously allowed under the statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles.	
	SHARE CAPITAL, INCREASE AND REDUCTION OF CAPITAL	
3.	**Amount of Capital**	The Authorised Share Capital of the company shall be capital as specified in the Memorandum of Association, with power to increase and reduce the Share Capital for the time being into several preferential, deferred, qualified by or special rights, privileged or conditions as may be determined by or in accordance with the Articles of Association of the Company to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for time being be provided in the Articles of Association.
4.	**Increase of Capital by the Company and how carried in to effect**	The Company in General Meeting may, from time to time, increase the Capital by the creation of new Shares. Subject to the provisions of the Act, any Shares of the original or increased Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Board shall determine, an in particular, such shares may be issued with a preferential or qualified right to Dividends, or otherwise, or with a right to participate in some profits or assets of the Company, or with such differential or qualified right of voting at General Meetings of the Company, as permitted in terms of Section 47 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the directors shall comply with the provisions of Section 64 of the Act or any such compliance as may be required by the Act for the time being in force.
5.	**New Capital part of the existing Capital**	Except in so far as otherwise provided in the conditions of issue of Shares, any Capital raised by the creation of new Shares shall be considered as part of the existing Capital, and shall be subject to provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
6.	**Issue of redeemable Preference Shares**	Subject to the provisions of Section 55 of the Act and other applicable Law, any Preference Shares may be issued from time to time, on the terms that they are redeemable with 20 years (except for infrastructure projects) on such terms and in such manner as the Company by the terms of the issue of the said Shares may determine.
7.	**Provision applicable on the issue of Redeemable Preference Shares**	On the issue redeemable preference shares under the provisions of Article 6 hereof, the following provisions shall take effect: i. No such Shares shall be redeemed except out of the profits of the Company, which would otherwise be available for Dividend, or out of the proceeds of a fresh issue of shares made for the purpose of the redemption. ii. No such Shares shall be redeemed unless they are fully paid. iii. Such Shares shall be redeemed as per their terms. iv. The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before such shares are redeemed.

		v. Where any such shares are redeemed out of profits of the Company, there shall, out of the profits which would otherwise have been available for Dividend, be transferred to a Reserve Fund, to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the Shares redeemed and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided in Section 55 of the Act, apply as if the Capital Redemption Reserve Account were paid up Share Capital of the Company.
8.	**Provisions applicable to any other Securities**	The Board shall be entitled to issue from time to time, subject to the provisions of the Act, any other Securities, including Share Warrants, Securities convertible into Shares, exchangeable into Shares, or carrying a warrant, with or without any attached securities, carrying such terms as to coupon, returns, repayment, servicing, as may be issued at premium or discount, and redeemed at premium or discount, as may be determined by the terms of the issuance. Provided that the Company shall not issue any Shares or Securities convertible into Shares at a discount.
9.	**Reduction of Capital**	That Company may subject to the provisions of Section 52, 55, 66 of the Act or any other applicable provisions of law for the time being in force from time to time by way of Special Resolution reduce its Share Capital, any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorized by law.
10.	**Sub-Division, Consolidation and Cancellation of Shares**	Subject to the provisions of Section 61 of the Act; I. A company may, if so authorized by its articles, alter its memorandum in its general meeting to- a) increase its authorized share capital by such amount as it thinks expedient; b) consolidate and divide all or any of its share capital into shares of a larger amount than its adjusting shares: **Provided** that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner; c) convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; e) cancel shares which, at the date of 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 the shares so cancelled. II. The cancellation of shares under sub-section (1) shall not be deemed to be a reduction of share capital.
11.	**Variation of Shareholder's Rights**	Whenever the Share Capital is divided into different types or classes of shares, all or any of the rights and privileges attached to each type or class may, subject to the provisions of Section 48 (to

		be effective on notification) of the Act, be varied with the consent in writing of the holders of at least three-fourths of the issued Shares of the class or by means of a Special Resolution passed a at separate Meeting of the holders of the issued Shares of that class and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such class Meeting. **Provided** that if variation by one class of Shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained.
12.	**Further Issue of Capital**	Where at any time it is proposed to increase the subscribed capital of the Company by allotment of further shares, such shares shall be offered to persons, who on the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions namely: i. The offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 days and not exceeding 30 days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined; ii. 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 12(i) hereof shall contain a statement of this right. iii. After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the interest of the Company.
13.		Notwithstanding anything contained in the Article No. 12 the further shares aforesaid may be offered in any manner whatsoever, to: i. Employees under a scheme of Employees Stock Option Scheme, subject to Special Resolution passed by the Company and subject to other conditions prescribed under the Act and rules made thereunder. ii. To any persons on Private Placement or on preferential basis, whether or not those persons include the persons referred to Article No. 12 or 13(i), either for cash or for a consideration other than cash, if so decided by a Special Resolution, subject to conditions prescribed under the Act and rules made thereunder and other applicable laws;
14.		Nothing in Article No. 12 and 13 shall be deemed; i. To extend the time within which the offer should be accepted; or ii. To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take shares comprised in the renunciation.
15.		Nothing contained in the Articles 12 to 14 shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debenture issued or loan

		raised by the Company to convert such Debentures or loans into shares in the Company; **Provided** that the terms of issue of such Debentures or the terms of such loans containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in General Meeting.
16.	**Shares at the disposal of the Board**	Subject to the provisions above, and applicable provisions of the Act, the Securities of the Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at a par and such time as they from time to time think fit and to give to any person or persons the option or right to call for any shares either at a par or premium during such time and for such consideration as the Board think fit, and may issue and allot shares in the capital of the Company or other securities o payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares. Provided that option or right to call for shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.
17.	**Power to Issue Shares, Securities and other Instruments outside India**	Pursuant to the provisions of the Act, and subject to such approvals, permissions and sanctions as may be necessary from the Government of India, Reserve Bank of India and/or any other authorities or institutions as may be relevant (hereinafter collectively referred to as "Appropriate Authorities") and subject to such terms and conditions or such modifications thereto as may be prescribed by them in granting such approvals, permissions and sanctions, the Company will be entitled to issue and allot in the international capital markets, Equity Shares and/or any instruments or securities (including Global Depository Receipts) representing Equity Shares, any such instruments or securities being either with or without detachable warrants attached thereto entitling the Warrant holder to Equity Shares/instruments or securities representing Equity Shares (hereinafter collectively referred to as "the Securities") to be subscribed to in foreign currency/currencies by foreign investors (whether individuals and/or bodies corporate and/or institutions and whether shareholders of the Company or not) for an amount, inclusive of such premium as may be determined by the Board. The provisions of this Article shall extend to allow the Board to issue such foreign securities, in such manner as may be permitted by Applicable law.
18.	**Acceptance of Shares**	Any application signed by or on behalf of an applicant, for shares in the Company, followed by an allotment of any share shall be an acceptance of shares within the meaning of these Articles and every person who, does or otherwise accepts Shares and whose name is on the Register of Members shall for the purpose of these Articles, be a Member.
19.	**Deposit and Call to be a Debt payable immediately**	The money (if any) which the Board shall on the allotment of any Share being made by them require or direct to be paid by way of deposit, call or otherwise in respect of nay shares allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
20.	**Liability of Members**	Every Member, or his heirs, executors or administrators shall pay to the Company the portion of the Capital represented by his share or share which may, for the time being, remain unpaid thereon, in

		such amounts, at such time or time in accordance with the Company's regulations, require or fix for the payment thereof.
21.	**Shares not to be held in Trust**	Except as required by law, no person shall be recognized by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any share, or any interest in fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
22.	**The first named Joint Holder deemed to be Sole Holder**	If any share stands in the names of two or more persons, the person first named in the register shall, as regards receipt of dividends or bonus or service of notice and all or any earlier matter connected with the Company, except voting at meetings, be deemed the sole holder thereof, but the joint holders of a share shall, severally as well as jointly be liable for the payment of all installments and calls due in respect of such shares for all incidents thereof according to the Company's regulations.
23.	**Register of Members and Index**	The Company shall maintain a Register of Members and index in accordance with Section 88 of the Act. The details of shares held in physical or dematerialised* forms may be maintained in a media as may be permitted by law including in any form of electronic media. The Company may also keep a foreign register in accordance with Section 88 of the Act and rules made thereunder, containing the names and particulars of the Members, Debenture holders, other Security holders or Beneficial Owners residing outside India. **A typographical error appears in our AoA which has been corrected herein.*
24.		The registers and indices maintained pursuant to Section 88 and copies of returns prepared pursuant to Section 92, shall be open for inspection during business hours, at such reasonable time on every working day as the Board may decide, by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of such of such fee as may be specified in the Articles of Association of the Company but not exceeding fifty rupees for each inspection. For the purpose of this sub-rule, reasonable time of not less than two hours on every working day shall be considered by the Company.
25.		Any such member, debenture holder, security holder or beneficial owner or any other person may require a copy of any such register or entries therein or return on payment of such fee as may be specified in the Articles of Association of the Company but not exceeding ten rupees for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.
	SHARE CERTIFICATES	
26.	**Share Certificate to be numbered progressively and no share to be subdivided**	The share certificates shall be numbered progressively according to their several denominations specify the shares to which it relates and bear the seal of the Company, and except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered Share Certificate shall continue to bear the number by which the same was originally distinguished.
27.	**Limitation of time for Issue of Certificates**	Every Member, other than a Beneficial Owner, shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Board approve (upon paying such fee as the Board

		may from time to time determine) to several certificates each for one or more of such Shares and the Company shall complete and have ready for delivery of such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide or within one months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every Certificate of Shares shall be under the Seal of the Company which shall be affixed as prescribed in the applicable law and shall specify the number and distinctive number of shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Board or Committee thereof may prescribe and approve, provided that in respect of a Share(s) held jointly by several persons, the Company shall not be bound to issue more than one certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holders.
28.	**Issue of new Certificate in place of one defaced, lost or destroyed**	If any certificate be worn out, defaced, mutilated*, old/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 then upon production and surrender such certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced as the Board deems adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued in case of splitting or consolidation of Share Certificate(s) or in replacement of Share certificate(s) that are defaced, mutilated*, torn or old, decrepit or worn out without payment of fees if the Board so decide, or on payment of such fees (not exceeding Rs. 20/- for each certificate) as the Board shall prescribe. Further, no duplicate certificate shall be issued in lieu of those that are lost or destroyed, without the prior consent of the Board or Committee thereof and only on furnishing of such supporting evidence and/or indemnity as the Board may require, and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced, without payment of fees if the Board so decide, or on payment of such fees (not exceeding Rs. 20/- for each certificate) as the Board shall prescribe. Provided that notwithstanding what is stated above the Board or Committee thereof shall comply with such rules or regulation or requirements of any Stock Exchanges or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other Act, or rules applicable thereof in this behalf; provided further, that the Company shall comply with the provisions of Section 46 of the Act and other applicable law in respect of issue of duplicate shares. **A typographical error appears in our AoA which has been corrected herein*
29.		All books and documents relating to the issue of Share certificates including the blank of share certificates shall be kept in safe custody and to be properly maintained and preserved in accordance with the manner laid down in Applicable Law.

30.		The provision of Article 26, 27, 28 and 29 shall *mutatis mutandis* apply to issue of certificates of Debentures of the Company or to any other securities issued by the Company.
	BUY BACK OF SECURITIES BY THE COMPANY	
31.		Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities. The power conferred herein may be exercised by the Board, at any time and from time to time, where and to the extent permitted by Applicable Law, and shall be subject to such rules, applicable consent or approval as required.
	UNDERWRITING AND BROKERAGE	
32.	**Commission may be paid**	Subject to the provisions of Section 40 (6) of the Act and rules made there under, and subject to the SEBI guidelines, if applicable, and subject to the terms of issue of the shares or Debentures or any securities, as defined in the Securities Contract (Regulations) Act, 1956 the Company may at any time pay a commission out of proceeds of the issue or profit or both to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely on conditionally) for in or Debentures of the Company, or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, Debentures or of the Company but so that the commission shall not exceed in case of shares, five percent of the price at which the shares are issued, and in case of Debentures are issued or at such rates as may be fixed by the Board within the overall limit prescribed under the Act or Securities and Exchange Board of India Act, 1992. Such commission may be satisfied by payment in cash or by allotment of fully or partly paid shares, securities or Debentures or partly in one way and partly in the other.
	CALL ON SHARES	
33.	**Board of Directors may make calls**	The Board of Directors may, from time to time and subject to the terms on which Shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, or otherwise as permitted by Applicable Law make such call as it thinks fit upon the members in respect of all moneys unpaid on the Shares held by them respectively, and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments.
34.		The option or right to make calls on shares shall not be given to any person except with the sanction of the Board of Directors of the Company.
35.	**Notice of Calls**	Each member shall, subject to receiving 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.
36.		A call may be revoked or postponed at the discretion of the Board.
37.	**Calls deemed to have been made from the date of Resolution**	A call shall be deemed to have been made at the time when the resolution authorizing such call was passed as provided herein and may be required to be paid by installments.
38.	**Board may extend time**	The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members to whom the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension as a grace or favor.
39.	**Calls to carry interest**	If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the

		day appointed for the payment thereof to the time of actual payment at a rate, as the Board may determine and as permissible under the Applicable law. Nothing in this Article shall render it obligatory for the Board of Directors to demand or recover any interest from any such member.
40.		The Board shall be at liberty to waive payment of any such interest wholly or in part.
41.	**Sums deemed to be Calls**	Any sum, which may by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, 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.	**Proof on trial of Suit for money due on Shares**	At the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member ,in respect of whose shares, the Money is sought to be recovered appears entered on the register of Members as holder, at or subsequently to the date at which the money is sought to be recovered ,is alleged to have become due on the shares in respect of such money is sought to be recovered, that the resolution making the call is duly recorded in the Minute book, and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors was present at the Board at which any call was made nor that the Meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.
43.	**Partial payment not to preclude Forfeiture**	Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
44.	**Payment in anticipation of Call may carry Interest**	The Board may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys 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 excess 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 such rate not exceeding 12%, as the member paying such sum in advance and the Board agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Board may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
45.		The provisions of these Articles shall mutatis mutandis apply to the calls on Debenture or other Securities of the Company.
	LIEN	
46.	**Company to have Lien on Shares**	The Company shall have a first and paramount lien upon all the Shares/Debenture/Securities (other than fully paid-up

		Shares/Debentures/ Securities) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures/Securities and no equitable interest in any shares shall be created except upon the footing, and upon the condition that this Article will have full effect and any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such Shares/Debentures/Securities.
47.		The Board may at any time declare any Shares/Debentures/Securities wholly or in part to be exempt from the provision of this Article. Provided that, fully paid shares shall be free from all lien and that in case of partly paid shares for Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
48.	**As to enforcing lien by sale**	For the purpose of enforcing such lien, the Board may sell the Shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their member to execute a transfer thereof on the behalf of and in the name of such member. The purchaser of such transferred shares shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be attached by any irregularity or invalidity in the proceedings in reference to the sale.
49.		No sale shall be made unless a sum in respect of which the lien exists is presently payable or until the expiration of thirty days after a notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for thirty days after such notice.
50.	**Application of proceeds of sale**	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.
		FORFEITURE OF SHARE
51.	**If call or installment not paid notice may be given**	If any member fails to pay any call or installment on or before the day appointed for the Payment of the same the Board may at any time thereafter during such time as the call or installment remains unpaid, serve notice on such member requiring him of so much of the call or installments as is unpaid, together with any interest that may have accrued.
52.	**Form of Notice**	The notice aforesaid shall: i. name a further day (not being earlier than the expiry of 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 ii. state that in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
53.	**If notice not complied with Shares may be forfeited**	If the requirements of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before payment required by the Notice

		has been made be forfeited by a resolution of the Board to that effect.
54.	**Notice of forfeiture to a member**	When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.
55.	**Forfeited share to become property of the Company**	Any Share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re allot or otherwise dispose of the same in such manner as think fit.
56.	**Power to cancel forfeiture**	The Board may, at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.
57.	**Liability on forfeiture**	A person whose Share has been forfeited shall cease to be a Member in respect of the forfeited share, but shall notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or installment, interest and expenses, owing in respect of such Share at the time of the forfeiture together with interest thereon, from the time of forfeiture until payment at such rate as the Board may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so. 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.
58.	**Effect of forfeiture**	The forfeiture of a Share involves extinction, at the time of the forfeiture, of all interest and all claims and demands against the Company, in respect of the share and all other rights, incidental to the share except only such of those rights as by these Articles are expressly saved.
59.	**Evidence of forfeiture**	A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that certain shares in the company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.
60.	**Cancelation of Share certificate in respect of forfeited shares**	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on deemed by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Board shall be entitled to issue a duplicate certificates in respect of the said shares to the person or persons, entitled thereto as per the provisions herein – i. 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 disposed off. ii. The transferee shall thereupon be registered as the holder of the share; and iii. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

61.	**These Articles to apply in case of any non–payment**	The provisions of these regulations as to forfeiture shall apply in the case of non–payment of any sum which, by the terms of issue of share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
62.	**Capitalisation of Profits**	(i) The Company in general meeting may, upon the recommendation of the Board, resolve- a) That it is desirable to captalise 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 b) That such sum be accordingly set free for distribution in the manner specified in clause (ii) above amongst the members who could have been entitled thereto, if distributed by way of dividend and in the same proportions. (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards- a) paying up any amounts for the time being unpaid on any shares held by such members respectively; b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up to and amongst such members in the proportions aforesaid; c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause(b); d) A securities premium account and a Capital Redemption Reserve Account may, for the purposes of this regulation, be applied in the paying of unissued shares to be issued to members of the Company as fully paid bonus shares; e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
63.		(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall- a) 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 b) generally do all acts and things required to give effect thereto. (ii) The Board shall have power- a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions, b) to 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 capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their

		respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their exiting shares, (iii) Any agreement made under such authority shall be effective and binding on such Members.
	TRANSFER AND TRANSMISSION OF SHARES	
64.	**Register of Transfers**	The Company shall keep a book to be called the "Register of Transfers", and therein shall be fairly and directly entered particulars of every transfer or transmission of any share.
65.	**Instruments of Transfer**	The instrument of transfer shall be in the form prescribed under section 56 of the Act and rules made thereunder.
66.		The Board may, subject to the right of appeal conferred by section 58 decline to register— a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or; b) any transfer of shares on which the company has a lien.
67.		The Board may decline to recognise any instrument of transfer unless— a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56; b) 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 c) the instrument of transfer is in respect of only one class of shares.
68.		On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, 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 thirty days at any one time or for more than forty-five days in the aggregate in any year.
69.	**Transmission of shares**	(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares. (ii) Nothing in clause shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
70.		(i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either— a) to be registered himself as holder of the share; or b) to make such transfer of the share as the deceased or insolvent member could have made. (ii) 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.
71.	(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects. (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. (iii) All the limitations, restrictions and provisions of these regulations 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.
72.	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 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 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.
73.	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 the Company, send notice of the refusal to the transferee and the transferor or to the person 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 has a lien on shares.
	NOMINATIONS
74.	Every holder of shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares in or Debentures of the Company shall vest in the event of death of such holder.
75.	Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.
76.	Notwithstanding anything to the contrary contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholders or holder of debentures of the company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the shares or dentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under this provision of the Act.

77.		Where the nominee is a minor, it shall be lawful for the holder of the shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the shares in or Debentures of the Company, in the event of his death, during the minority.
	DEMATERIALISATION OF SECURITIES	
78.		The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.
79.	**Dematerialisation of Securities**	The Board or any Committee thereof shall be entitled to dematerialise Securities or to offer securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended. The provisions of this Section will be applicable in case of such Securities as are or are intended to be dematerialised.
80.	**Board to recognize Beneficial Owners of Securities**	Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of a beneficial owner.
81.		Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its securities held by a Depository.
82.		Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognize any benami, trust or equitable, contingent, future or partial interest in any Security or (except otherwise expressly provided by the Articles) any right in respect of a Security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.
83.	**Options for Investors**	Every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue to the Beneficial Owner the required certificates for the Securities.
84.		If a person opts to hold his securities with the Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.
85.	**Securities in depositories to be in fungible form**	All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the securities held by on behalf of the Beneficial Owner.
86.	**Rights of Depositories and Beneficial Owners**	(i) Notwithstanding anything to the contrary contained in these, a Depository shall deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company on behalf of the Beneficial Owner. (ii) Save as otherwise provided in sub-clause above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

		(iii) Every person holding Securities of the Company and whose name is entered as the Beneficial Owner of Securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities which are held by a Depository and shall be deemed to be a Member of the Company.
87.	**Service of Documents**	Notwithstanding anything to the contrary contained in these Articles, where Securities of the Company are held in a Depository, the records of the beneficiary ownership may be served by such Depository on the Company by means of Electronic Mode or by delivery of floppies or discs.
88.	**Transfer of Securities**	Nothing contained in Section 56 of the Act or anything to the contrary contained in these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of who are entered as Beneficial Owners in the records of a Depository.
89.	**Allotment of Securities dealt within a Depository**	Notwithstanding anything to the contrary contained in these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.
90.	**Distinctive number of Securities held in a Depository**	Notwithstanding anything to the contrary contained in these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to securities held with a Depository.
91.	**Register and Index of Beneficial Owners**	The Register and Index of Beneficial Owners maintained by Depository under the Depositories Act, 1996, as amended shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.
COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS		
92.		Copies of the Memorandum and Articles of Association of the Company shall be sent by the Board to every Member at his request within seven days of the request on payment of such fees as is prescribed in the Act or Rules thereunder, and where no such fees is prescribed in the Act or Rules, Rs.100/- for each copy.
BORROWING POWERS		
93.	**Power to Borrow**	The Board may, from time to time, at its discretion subject to the provisions of these Articles, Section 73 to 76, 179, 180 of the Act or Applicable Law, raise or borrow, and secure the payment of any sum or sums of money for the purpose of the Company; by a resolution of the Board, or where a power to delegate the same is available, by a decision/resolution of such delegatee, provided that the Board shall not without the requisite sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the Paid up Capital of the Company and its free reserves.
94.	**Conditions on which Money may be borrowed**	Subject to the provisions contained in the Article 93, the Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, or other Securities, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
95.	**Terms of Issue of Debentures**	Any Debentures, Debenture stock, bonds or other Securities may be issued on such terms and conditions as the Board may think fit. Provided that Debenture with a right to allotment or conversion into shares shall be issued in conformity with the provisions of Section 62 of the Act. Debentures, Debenture stock, bonds and other Securities may be made assignable free from any equities

		from the Company and the person to whom it may be issued. Debentures, Debenture stock, bonds or other Securities with a right of conversion into or allotment of shares shall be issued only with such sanctions as may be applicable.
96.	**Instrument of Transfer**	Save as provided in Section 56 of the Act, no transfer of Debentures shall be registered unless a proper instrument of transfer duly executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the Debentures; Provided that the Company may issue non-transferable Debentures and accept an assignment of such instruments.
97.	**Delivery of Certificates**	Deliver by the Company of Certificates upon allotment or registration of transfer of any Debentures, Debenture stock or bond issued by the Company shall be governed and regulated by Section 56 of the Act.
98.	**Register of Charge, Etc.**	The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 77 to 87 of the Act, both inclusive of the Act, in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.
99.	**Register and Index of Debenture Holders**	The Company shall, if at any time it issues Debentures, keep Register and Index of Debenture holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Debenture-stock, resident in that State or Country.
	GENERAL MEETINGS	
100.	**Annual General Meeting**	The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year.
101.		Every Annual General Meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated.
102.		In the case of an Annual General Meeting, all businesses to be transacted at the meeting shall be deemed special, with the exception of business relating to: i. the consideration of financial statements and the reports of the Board of Directors and the Auditors; ii. the declaration of any Dividend; iii. the appointment of Directors in place of those retiring; iv. the appointment of, and the fixing of the remuneration of the Auditors.
103.	**Conduct of E-voting**	The company shall provide e-voting facility to all Members, irrespective of whether they hold shares in physical form or in dematerialised form. The facility for Remote e-voting shall remain open for not less than three days. The voting period shall close at 5 p.m. on the day preceding the date of the General Meeting.
104.		The Board shall: a) appoint one or more scrutinisers for e-voting or the ballot process; b) appoint an Agency;

		c) decide the cut-off date for the purpose of reckoning the names of Members who are entitled to Voting Rights; d) authorise the Chairman or in his absence, any other Director to receive the scrutiniser's register, report on e-voting and other related papers with requisite details.
105.	**Extra-Ordinary General Meeting**	Items of business other than Ordinary Business may be considered at an Extra-Ordinary General Meeting or by means of a postal ballot, if thought fit by the Board.
106.		All general meetings other than Annual General Meeting shall be called Extraordinary General Meeting.
107.		In case of meeting other than Annual General Meeting, all business shall be deemed special.
108.		The Board may, whenever it thinks fit, call an Extraordinary General Meeting.
109.	**Postal Ballot**	Where permitted or required by Applicable Law, Board may, instead of calling a meeting of any Members/ Class of Members/ Debenture-holders, seek their assent by Postal Ballot. Such Postal ballot will comply with the provisions of the Act and Rules made thereunder in this behalf.
110.		The Board shall: a) identify the businesses to be transacted through postal ballot; b) approve the Notice of postal ballot incorporating proposed Resolution(s) and explanatory statement thereto; c) authorise the Company Secretary or where there is no Company Secretary, any Director of the company to conduct postal ballot process and sign and send the Notice along with other documents ; d) appoint one scrutiniser for the postal ballot. e) appoint an Agency in respect of e-voting for the postal ballot; f) decide the record date for reckoning Voting Rights and ascertaining those Members to whom the Notice and postal ballot forms shall be sent. g) decide on the calendar of events. h) authorise the Chairman or in his absence, any other Director to receive the scrutiniser's register, report on postal ballot and other related papers with requisite details.
111.		Notice of the postal ballot shall be given in writing to every Member of the company. Such Notice shall be sent either by registered post or speed post, or by courier or by Email or by any other electronic means at the address registered with the company.
112.		In case of companies having a website, Notice of the postal ballot shall also be placed on the website.
113.		Notice shall specify the day, date, time and venue where the results of the voting by postal ballot will be announced and the link of the website where such results will be displayed.
114.		Notice of the postal ballot shall inform the Members about availability of e-voting facility, if any, and provide necessary information thereof to enable them to access such facility. In case the facility of e-voting has been made available, the provisions relating to conduct of e-voting shall apply, mutatis mutandis, as

	far as applicable. Notice shall describe clearly the e-voting procedure. Notice shall also clearly specify the date and time of commencement and end of e-voting, if any and contain a statement that voting shall not be allowed beyond the said date and time. Notice shall also contain contact details of the official responsible to address the grievances connected with the e-voting for postal ballot. Notice shall clearly specify that any Member cannot vote both by post and e-voting and if he votes both by post and e-voting, his vote by post shall be treated as invalid. The advertisement shall, inter alia, state the following matters: a) a statement to the effect that the business is to be transacted by postal ballot which may include voting by electronic means; b) the date of completion of dispatch of Notices; c) the date of commencement of voting (postal and e-voting); d) the date of end of voting (postal and e-voting); e) the statement that any postal ballot form received from the Member after thirty days from the date of dispatch of Notice will not be valid; f) a statement to the effect that Member who has not received postal ballot form may apply to the company and obtain a duplicate thereof; g) contact details of the person responsible to address the queries/grievances connected with the voting by postal ballot including voting by electronic means, if any; and h) day, date, time and venue of declaration of results and the link of the website where such results will be displayed.
115.	Each item proposed to be passed through postal ballot shall be in the form of a Resolution and shall be accompanied by an explanatory statement which shall set out all such facts as would enable a Member to understand the meaning, scope and implications of the item of business and to take a decision thereon.
116.	The Postal Ballot form shall be accompanied by a postage prepaid reply envelope addressed to the Scrutinizer.
117.	The Postal Ballot form shall contain instructions as to the manner in which the form is to be completed, assent or dissent is to be recorded and its return to the scrutiniser.
118.	Based on the scrutiniser’s report, the Chairman or any other Director authorised by him shall declare the result of the postal ballot on the date, time and venue specified in the Notice, with details of the number of votes cast for and against the Resolution, invalid votes and the final result as to whether the Resolution has been carried or not.
119.	The result of the voting with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not, along with the scrutiniser’s report shall be displayed on the Notice Board of the company at its Registered Office and its Head Office as well as Corporate Office, if any, if such office is situated elsewhere, and also be placed on the website of the company, in case of companies having a website.

120.		The Resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the company for receipt of duly completed postal ballot forms or e-voting.
121.		The postal ballot forms, other related papers, register and scrutiniser's report received from the scrutiniser shall be kept in the custody of the Company Secretary or any other person authorised by the Board for this purpose.
122.		A Resolution passed by postal ballot shall not be rescinded otherwise than by a Resolution passed subsequently through postal ballot.
123.		No amendment or modification shall be made to any Resolution circulated to the Members for passing by means of postal ballot.
124.	**Calling of General Meeting on requisition**	The Board may, call an Extraordinary General Meeting upon receipt of a written requisition from any member or members holding in the aggregate not less than one-tenth of such of the Paid-up Capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.
125.		Any meeting called as above by the requisitionist shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.
126.		If, on receipt of a valid requisition having been made in this behalf, the Board, within twenty-one days from the date of such receipt, fails to call a Meeting on any day within forty-five days from the date of receipt of such requisition, the requisitionists may themselves call and hold the Meeting within three months from the date of requisition, in the same manner in which the Board should have called and held the Meeting. Explanatory statement need not be annexed to the Notice of an Extraordinary General Meeting convened by the requisitionists and the requisitionists may disclose the reasons for the Resolution(s) which they propose to move at the Meeting. Such requisition shall not pertain to any item of business that is required to be transacted mandatorily through postal ballot.
127.	**Notice of General Meeting**	Notice in writing of every Meeting shall be given to every Member of the company. Such Notice shall also be given to the Directors and Auditors of the company, to the Secretarial Auditor, to Debenture Trustees, if any, and, wherever applicable or so required, to other specified persons. In the case of Members, Notice shall be given at the address registered with the Company or depository. In the case of shares or other securities held jointly by two or more persons, the Notice shall be given to the person whose name appears first as per records of the Company or the depository, as the case may be. In the case of any other person who is entitled to receive Notice, the same shall be given to such person at the address provided by him. Where the company has received intimation of death of a Member, the Notice of Meeting shall be sent as under: a) where securities are held singly, to the Nominee of the single holder; b) where securities are held by more than one person jointly and any joint holder dies, to the surviving first joint holder; c) where securities are held by more than one person jointly and all the joint holders die, to the Nominee appointed by all the joint

	holders; In the absence of a Nominee, the Notice shall be sent to the legal representative of the deceased Member. In case of insolvency of a Member, the Notice shall be sent to the assignee of the insolvent Member. In case the Member is a company or body corporate which is being wound up, Notice shall be sent to the liquidator.
128.	Notice of the Meeting, wherein the facility of e-voting is provided, shall be sent either by registered post or speed post or by courier or by Email or by any other electronic means. An advertisement containing prescribed details shall be published, immediately on completion of despatch of notices for meeting but atleast twenty one days before the date of the General Meeting, at least once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated and having a wide circulation in that district and at least once in English language in an English newspaper, having country-wide circulation, and specifying therein, inter-alia the following matters, namely:- a. A statement to the effect that the business may be transacted by e-voting; b. The date and time of commencement of remote e-voting; c. The date and time of end of Remote e-voting; d. The cut-off date as on which the right of voting of the Members shall be reckoned; e. The manner in which persons who have acquired shares and become Members after the despatch of Notice may obtain the login ID and password; f. The manner in which company shall provide for voting by Members present at the Meeting; g. The statement that- i. Remote e-voting shall not be allowed beyond the said date and time; ii. a Member may participate in the General Meeting even after exercising his right to vote through Remote e-voting but shall not be entitled to vote again; and iii. a Member as on the cut-off date shall only be entitled for availing the Remote e-voting facility or vote, as the case may be, in the General Meeting; h. Website address of the company, in case of companies having a website and Agency where Notice is displayed; and i. Name, designation, address, Email ID and phone number of the person responsible to address the grievances connected with the e-voting. Advertisement shall also be placed on the website of the company, in case of companies having a website and of the Agency.
129.	In case of companies having a website, the Notice shall be hosted on the website. Notice shall specify the day, date, time and full

		address of the venue of the Meeting. Notice shall contain complete particulars of the venue of the Meeting including route map and prominent land mark for easy location. In case of companies having a website, the route map shall be hosted along with the Notice on the website.
130.		Notice shall clearly specify the nature of the Meeting and the business to be transacted thereat. In respect of items of Special Business, each such item shall be in the form of a Resolution and shall be accompanied by an explanatory statement which shall set out all such facts as would enable a Member to understand the meaning, scope and implications of the item of business and to take a decision thereon. In respect of items of Ordinary Business, Resolutions are not required to be stated in the Notice except where the Auditors or Directors to be appointed are other than the retiring Auditors or Directors, as the case may be.
131.		Notice and accompanying documents shall be given at least twenty-one clear days in advance of the Meeting. For the purpose of reckoning twenty-one days clear Notice, the day of sending the Notice and the day of Meeting shall not be counted. Further in case the company sends the Notice by post or courier, an additional two days shall be provided for the service of Notice. In case a valid special notice under the Act has been received from Member(s), the company shall give Notice of the Resolution to all its Members at least seven days before the Meeting, exclusive of the day of dispatch of Notice and day of the Meeting, in the same manner as a Notice of any General Meeting is to be given.
132.		Notice and accompanying documents may be given at a shorter period of time if consent in writing is given thereto, by physical or electronic means, by not less than ninety-five per cent of the Members entitled to vote at such Meeting.
133.		No items of business other than those specified in the Notice and those specifically permitted under the Act shall be taken up at the Meeting.
134.		Notice shall be accompanied, by an attendance slip and a Proxy form with clear instructions for filling, stamping, signing and/or depositing the Proxy form.
135.		A Meeting convened upon due Notice shall not be postponed or cancelled. If, for reasons beyond the control of the Board, a Meeting cannot be held on the date originally fixed, the Board may reconvene the Meeting, to transact the same business as specified in the original Notice, after giving not less than three days intimation to the Members. The intimation shall be either sent individually in the manner stated in this Standard or published in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated, and in an English newspaper in English language, both having a wide circulation in that district.
136.		The accidental omission to give notice or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceeds of the meeting.
137.	**Meeting not to transact Business not mentioned in Notice**	No general Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
138.	**Quorum at General Meeting**	Quorum shall be present throughout the Meeting. Quorum shall be present not only at the time of commencement of the Meeting but also while transacting business. Proxies shall be excluded for determining the Quorum.
139.		No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

140.		Save as otherwise provided herein, the quorum for the general meeting shall be as provided in Section 103 of the Act.
141.		A duly authorised representative of a body corporate or the representative of the President of India or the Governor of a State is deemed to be a Member personally present and enjoys all the rights of a Member present in person. Members who have voted by Remote e-voting have the right to attend the General Meeting and accordingly their presence shall be, counted for the purpose of Quorum. A Member who is not entitled to vote on any particular item of business being a related party, if present, shall be counted for the purpose of Quorum.
142.		If at the expiration of half an hour from the time appointed for holding meeting of the Company, quorum is not present, the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or, if that day is a National holiday, until the next succeeding day which is not a National holiday at the same time and place as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called. Provided, however, that the Company shall give not less than three days' notice to the members either individually or by publishing an advertisement in newspapers (one in English and one in vernacular language) which is in circulation at the place where registered office of the Company is situated of such an adjourned meeting which is held in accordance with this article.
143.	**Chairperson at General Meetings**	The Chairman of the Board shall take the chair and conduct the Meeting. If the Chairman is not present within fifteen minutes after the time appointed for holding the Meeting, or if he is unwilling to act as Chairman of the Meeting, or if no Director has been so designated, the Directors present at the Meeting shall elect one of themselves to be the Chairman of the Meeting. If no Director is present within fifteen Minutes after the time appointed for holding the Meeting, or if no Director is willing to take the chair, the Members present shall elect, on a show of hands, one of themselves to be the Chairman of the Meeting, unless otherwise provided in the Articles.
144.		The Chairman shall explain the objective and implications of the Resolutions before they are put to vote at the Meeting.
145.		No business shall be discussed at any General Meeting except the election of a Chairperson, while the chair is vacant.
146.		The Chairman shall not propose any Resolution in which he is deemed to be concerned or interested nor shall he conduct the proceedings for that item of business.
147.	**Adjournment of Meeting**	A duly convened Meeting shall not be adjourned unless circumstances so warrant. The Chairman may adjourn a Meeting with the consent of the Members, at which a Quorum is present, and shall adjourn a Meeting if so directed by the Members.
148.		No Business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
149.		If a Meeting is adjourned sine-die or for a period of thirty days or more, a Notice of the adjourned Meeting shall be given in accordance with the provisions contained hereinabove relating to Notice.
150.		If a Meeting is adjourned for a period of less than thirty days, the company shall give not less than three days' Notice specifying the day, date, time and venue of the Meeting, to the Members either

	individually or by publishing an advertisement in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated, and in an English newspaper in English language, both having a wide circulation in that district.
151.	If a Meeting, other than a requisitioned Meeting, stands adjourned for want of Quorum, the adjourned Meeting shall be held on the same day, in the next week at the same time and place or on such other day, not being a National Holiday, or at such other time and place as may be determined by the Board.
152.	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 the business to be holding transacted at an adjourned meeting.
153.	At an adjourned Meeting, only the unfinished business of the original Meeting shall be considered.
154.	Every Member holding equity shares and, in certain cases as prescribed in second proviso to sub-section (2) of Section 47 of the Act, every Member holding preference shares, shall be entitled to vote on a Resolution. Every Member entitled to vote on a Resolution and present in person shall, on a show of hands, have only one vote irrespective of the number of shares held by him.
155.	No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.
156.	Subject to any rights or restrictions for the time being attached to any class or classes of shares; i. on a show of hands, every member present in person shall have one vote; and ii. on a poll, the voting rights of members shall be in proportion to his shares in the paid-up equity share Capital of the Company.
157.	In case of Joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the voted of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
158.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
159.	Any business other than upon which a poll has been demanded may be preceded with, pending the taking of the poll.
160.	No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
161.	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
162.	If a poll is demanded as aforesaid, the same shall, be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either

		at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or person who made the demand.
163.		Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
164.	**Chairman's Casting Vote**	In the case of an equality of votes, the Chairperson shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.
165.	**Proxy**	A Member entitled to attend and vote is entitled to appoint a Proxy, or where that is allowed, one or more proxies, to attend and vote instead of himself and a Proxy need not be a Member. A Proxy can act on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying Voting Rights. However, a Member holding more than ten percent of the total share capital of the company carrying Voting Rights may appoint a single person as Proxy for his entire shareholding and such person shall not act as a Proxy for another person or shareholder. If a Proxy is appointed for more than fifty Members, he shall choose any fifty Members and confirm the same to the company before the commencement of specified period for inspection. In case, the Proxy fails to do so, the company shall consider only the first fifty proxies received as valid.
166.		Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote by a representative duly authorised in accordance with Section 113 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represent as the body could exercise if it were an individual member.
167.		The instrument appointing a proxy and the power –of – attorney or other authority, if any, under which it is signed or notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 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 hours before the time appointed for taking of the poll; and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution. If the Articles so provide, a Member who has not appointed a Proxy to attend and vote on his behalf at a Meeting may appoint a Proxy for any adjourned Meeting, not later than forty-eight hours before the time of such adjourned Meeting.
168.		Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate, under the Common Seal of such corporate, or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. An instrument appointing a proxy shall be in the form as prescribed in terms of Section 105 of the Act.
169.		A member present by proxy shall be entitled to vote only on a poll, except where Applicable Law provides otherwise.
170.		The proxy so appointed shall not have any right to speak at the meeting.

171.		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 adjourned meeting at which the proxy is used.
172.		An instrument appointing a Proxy shall be either in the Form specified in the Articles or in the Form set out in the Act.
173.		An instrument of Proxy duly filled, stamped and signed, is valid only for the Meeting to which it relates including any adjournment thereof. An instrument of Proxy is valid only if it is properly stamped as per the applicable law. Unstamped or inadequately stamped Proxies or Proxies upon which the stamps have not been cancelled are invalid.
174.		The Proxy-holder shall prove his identity at the time of attending the Meeting. An authorised representative of a body corporate or of the President of India or of the Governor of a State, holding shares in a company, may appoint a Proxy under his signature.
175.		A Proxy form which does not state the name of the Proxy shall not be considered valid. Undated Proxy shall not be considered valid. If a company receives multiple Proxies for the same holdings of a Member, the Proxy which is dated last shall be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple Proxies shall be treated as invalid.
176.		If a Proxy had been appointed for the original Meeting and such Meeting is adjourned, any Proxy given for the adjourned Meeting revokes the Proxy given for the original Meeting. A Proxy later in date revokes any Proxy/Proxies dated prior to such Proxy. A Proxy is valid until written notice of revocation has been received by the company before the commencement of the Meeting or adjourned Meeting, as the case may be.
177.		When a Member appoints a Proxy and both the Member and Proxy attend the Meeting, the Proxy stands automatically revoked.
178.		Requisitions, if any, for inspection of Proxies shall be received in writing from a Member entitled to vote on any Resolution at least three days before the commencement of the Meeting. Proxies shall be made available for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting. A fresh requisition, conforming to the above requirements, shall be given for inspection of Proxies in case the original Meeting is adjourned.
179.		All Proxies received by the company shall be recorded chronologically in a register kept for that purpose. In case any Proxy entered in the register is rejected, the reasons therefore shall be entered in the remarks column.
180.	**Maintenance of Records and Inspection of Minutes of General Meeting by Members**	Where permitted/required by the Act, all records to be maintained by the Company may be kept in electronic form subject to the provisions of the Act and rules made thereunder, such records shall be kept open to inspection in the manner as permitted by the Act and Applicable Law. The term 'records' would mean any register, agreement, memorandum, minutes or any other document required by the Act and Applicable Law made there under to be kept by the Company.
181.		Minutes shall be recorded in books maintained for that purpose. A distinct Minutes Book shall be maintained for Meetings of the

	Members of the company, creditors and others as may be required under the Act. Minutes in electronic form shall be maintained with Timestamp.
182.	The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. Minutes of Meetings, if maintained in loose-leaf form, shall be bound periodically depending on the size and volume.
183.	Any such minutes shall be evidence of the proceedings recorded therein and shall contain a fair and correct summary of the proceedings thereat.
184.	Each page of every such book shall be initialled or signed and the last page of the record of proceedings of such meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or non-availability of that Chairman within that period, by a Director duly authorised by the Board for the purpose. The date of entry of the Minutes in the Minutes Book shall be recorded by the Company Secretary.
185.	In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
186.	Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: a) is or could reasonably be regarded as, defamatory of any person or b) is irrelevant or immaterial to the proceeding, or c) is detrimental to the interest of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
187.	The book containing the minutes of proceedings of General Meetings shall be kept at the registered office of the Company and shall be open during business hours, for such periods not being less than 2 hours on any day, as may be fixed by the Board of Directors from time to time, to the inspection of any Member without charge.
188.	Any Member of the Company shall be entitled to a copy of minutes of the General Meeting on receipt of a specific request and at a fee of Rs. *10*/- *(rupees ten only)* for each page, or such higher amount as the Board may determine, as permissible by Applicable Law.
BOARD OF DIRECTORS	
189.	The number of Directors of the Company shall be not less than 5 (Five) and not more than 15 (Fifteen). However, the Company may appoint more than 15 Directors after passing a Special Resolution. At any given time, SAT INDUSTRIES LIMITED must have its 3 Nominee Directors in the Board of the Company and the role of such Nominee Directors could either be of a Whole-time Director or of a Non-Executive Director. The composition of the Board shall be in accordance with the provisions of Section 149 of the Act and other Applicable Laws.

		Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall (a) be entitled to transaction business for the purpose of attaining the required composition of the Board; and (b) be entitled to carry out such business as may be required in the best interest of the Company in the meantime.
190.	**Board's Power to appoint Additional Directors**	Subject to the provisions of Sections 149, 152 and 161 of the Act and Applicable Laws, the Board shall have power at any time, and from time to time, to appoint a person as an Additional Director, provided the number of the Directors and Additional Directors together shall not at any time exceed the maximum strength fixed by the Board by these Articles.
191.		Such person shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.
192.	**Nominee Directors**	The Company shall, subject to the provisions of the Act and these Articles, may appoint any person as a Director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government company.
193.		In the event of 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.
194.		A nominee Director 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 appointer and served on the Company. Such Director need not hold any qualification shares.
195.	**Appointment of Alternate Directors**	Subject to the provisions of Section 161(2) of the Act, the Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an Alternate Director in place of an Independent Director unless he is qualified to be appointed as an Independent Director under the Act and Applicable Law. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the terms of office of the Original Director are determined before he so returns to India, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director, and not to the Alternate Director. For the purpose of absence in the Board meetings in terms of Section 167(1) (b) of the Act, the period during which an Original Director has an Alternate Director appointed in his place, shall not be considered.
196.	**Board's power to fill Casual Vacancies**	Subject to the provisions of Sections 152(7), 161(4) and 169(7) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a

		casual vacancy. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.
197.		If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned until the same day in the next week, at the same time and place in accordance with the provisions of Section 152(7) of the Act.
198.		If at the adjourned meeting also, the vacancy caused by the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be so deemed to have been reappointed at the adjourned meeting, unless: i) at that meeting or at the previous meeting the resolution for the reappointment of such Director has been put to the meeting and lost; ii) the retiring Director has, by a notice in writing addressed to the Company or its Board expressed his unwillingness to be so reappointed; iii) he is not qualified or is disqualified for appointment; iv) a resolution whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; v) The provisions of Section 162 of the Act are applicable to the case.
199.	**Independent Directors**	The Company shall appoint such number of Independent Directors as required by the Act and other Applicable Laws and the Company and Independent Directors are required to abide by the provisions specified in Schedule IV of the Act.
200.		Any casual vacancy in the post of an Independent Director caused by way of removal, resignation, death, vacation of office under Section 167 of the Act and Applicable Law, removal from Directorship pursuant to any court order or due to disqualification under Section 164 of Act shall be filled by following the process laid down in the Act and rules made thereunder. No such casual vacancy shall prejudice the functioning of the Board during the intervening period.
201.		An Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through board processes, and with his consent or connivance or where he had not acted diligently.
202.		The provisions relating to retirement of Directors by rotation shall not be applicable to appointment of Independent Directors.
203.	**Retirement and Rotation of Directors**	At least two-thirds of the total number of Directors, excluding Independent Directors, shall be persons whose period of office is liable to determination by retirement of Directors by rotation (hereinafter called “the Rotational Directors”).
204.		At every Annual General Meeting of the Company, one-third of the Rotational Directors, or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office.
205.		A retiring Director shall be eligible for re-election.
206.	**Resignation of Directors**	Subject to the provisions of the Act, a Director may resign from his office by giving a notice in writing to the Company and Board shall take note of the same.

		Provided that the provisions regarding resignation of Managing Director or a Whole-time Director or any Executive Director who has any terms of employment with the Company shall be governed by such terms.
207.		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.
208.	**Removal of Directors**	Any Director of the Company, except the one appointed by the National Company Law Tribunal, may be removed by way of Ordinary Resolution before the expiry of his term of office, subject to the provisions of Section 169 of Act.
209.	**Remuneration of Directors**	Subject to the provisions of Section 197 of the Act, a Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other. **Provided** that where the Company takes a Directors' Liability Insurance, specifically pertaining to a particular Director, then the premium paid in respect of such insurance, for the period during which a Director has been proved guilty, will be treated as part of remuneration paid to such Directors.
210.		Subject to the provisions of the Act and rules made thereunder, the fees payable to a Director for attending the meetings of the Board or Committee thereof shall be such sum as may be decided by the Board of Directors from time to time. Fee, as may be determined by the Board, may also be paid for attending any separate meeting of the Independent Directors of the Company in pursuance of any provision of the Act.
211.		The Board may allow any payment to any director who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with business of the Company.
212.	**Directors may act notwithstanding any vacancies on Board**	The continuing Directors may act not notwithstanding any vacancy in their body but if, and so long as their number is reduced below the minimum number fixed by Article 171 hereof, the continuing Directors may act for the purpose of increasing the number of Directors to the minimum number fixed by the Article 176 hereof or for summoning a General Meeting for the purpose increasing the number of Directors to such minimum number, but for no other purpose.
213.	**Vacation of office of Director**	The office of a Director shall ipso facto be vacated: on the happening of any of the events as specified in Section 167 of the Act; in the case of Alternate Director, on return of the Original Director in terms of Section 161 of the Act; having been appointed as a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, he ceases to hold such office or other employment in that Company;

		if he is removed in pursuance of Section 169 of the Act; any other disqualification that the Act for the time being in force may prescribe.
214.	**Notice of candidature for office of Directors except in certain cases**	No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some Member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the registered office of the Company a notice in writing under his signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office along with the requisite deposit of such sum as prescribed under the Act and rules made thereunder.
215.		Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a director, shall sign and file with the Company, the consent in writing to act as a Director, if appointed.
216.		A person other than a Director reappointed after retirement by rotation immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filing a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or reappointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company and the same is filed with the Registrar within thirty days of his appointment.
217.	**Director may contract with the Company**	Subject to Applicable Law, a Director or any Related Party as defined in Section 2 (76) of the Act or other Applicable Law may enter into any contract with the Company for the sale, purchase or supply of any goods, materials, or services or other contract involving creation or transfer of resources, obligations or services, subject to the compliance with the Act and rules made thereunder and other Applicable Law.
218.		Unless so required by the Act, no sanction shall, however, be necessary for any contracts with a related party or entered into on arm's length basis. Where a contract complies with such conditions or indication of arm's length contracts as lay down in the Act or in a policy, if any, on related party transactions framed by the Board, the contract shall be deemed to be a contract entered into an arm's length basis.
219.	**Disclosure of Interest**	A Director of the Company who is in anyway, whether directly or indirectly concerned or interested in a contract or proposed 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 in the manner provided in Section 184 (2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into or to be entered into or to be entered into with any other body corporate where the Director of the Company either himself or in association with any other Director hold or holds less than two percent of the shareholding in such other body corporate.
220.	**Interested Director not to participate or vote in Board's proceeding**	Subject to the provisions of Section 184 of the Act, no Director shall as Director take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time

		of any such discussion or vote; and if he does vote, his vote shall be void. **Provided** however, that nothing herein contained shall apply to:- a) Any contract of indemnity against any loss which the Directors or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company. b) Any contract or arrangement entered into or to be entered into with a public company in which the interest of the Director consists solely: a) in his being: i. A director in such company, and ii. The holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company; OR b) In his being a member holding not more than 2% of its paid-up share capital.
221.	**Register of contracts in which Directors are interested**	The Company shall keep a register in accordance with Section 189 (1) of the Act and Applicable Law. The register shall be kept at the registered office of the Company and shall be preserved permanently be kept in the custody of the Company or any other person authorized by the Board for the purpose.
222.		Such a register shall be open to inspection at such office, and extracts maybe taken therefrom and copies thereof may be provided to a member of the Company on his request, within seven days from the date on which such request is made and upon the payment of Rs. 10 (ten rupees) per page, as such higher amount as may be laid by the Board, as permitted by Applicable Law.
223.	**Register of Directors and Key Managerial Personnel and their shareholding:**	The Company shall keep at its registered office a register containing the particulars of its Directors and key Managerial Personnel, which shall include the details of Securities held by each of them in the Company or its holding, subsidiary, subsidiary of Company's holding Company or associate companies in accordance to Section 170 of the Act and Applicable Law.
224.	**Miscellaneous**	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts of monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the board shall from time to time by resolution determine.
225.	**Directors may be Directors of Companies promoted by the Company**	A Director may be or become a director of any company promoted by the company or in which it may be interested as a vendor, shareholder, or otherwise and no such director shall be accountable for any benefits received as director or shareholder of such company except in so far as Section 188 of the Act may be applicable.
	PROCEEDINGS OF THE BOARD	
226.	**Convening a Meeting**	The Directors may meet together as a Board from time to time for the conduct and dispatch of the business of the Company, adjourn or otherwise regulate its meetings, as it thinks fit.
227.		Any Director of a company may, at any time, summon a Meeting of the Board, and the Company Secretary or where there is no Company Secretary, any person authorised by the Board in this

		behalf, on the requisition of a Director, shall convene a Meeting of the Board, in consultation with the Chairman or in his absence, the Managing Director or in his absence, the Whole-time Director, where there is any, unless otherwise provided in the Articles.
228.		The Chairman may, unless dissented to or objected by the majority of Directors present at a Meeting at which a Quorum is present, adjourn the Meeting for any reason, at any stage of the Meeting.
229.		Every Meeting shall have a serial number. A Meeting may be convened at any time and place, on any day, excluding a National Holiday.
230.		Any Director may participate through Electronic Mode in a Meeting, if the company provides such facility, unless the Act or any other law specifically does not allow such participation through Electronic Mode in respect of any item of business.
231.	**Notice**	Notice convening a Meeting shall be given at least seven days before the date of the Meeting, unless the Articles prescribe a longer period, to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by registered post or by courier or by facsimile or by Email or by any other electronic means. In case the company sends the Notice by speed post or by registered post or by courier, an additional two days shall be added for the service of Notice.
232.		Notice shall be issued by the Company Secretary or where there is no Company Secretary, any Director or any other person authorised by the Board for the purpose.
233.		The Notice shall specify the serial number, day, date, time and full address of the venue of the Meeting. The Notice of a Meeting shall be given even if Meetings are held on pre-determined dates or at pre-determined intervals.
234.		In case the facility of participation through Electronic Mode is being made available, the Notice shall inform the Directors about the availability of such facility, and provide them necessary information to avail such facility.
235.		The Agenda, setting out the business to be transacted at the Meeting, and Notes on Agenda shall be given to the Directors at least seven days before the date of the Meeting, unless the Articles prescribe a longer period. Any item not included in the Agenda may be taken up for consideration with the permission of the Chairman and with the consent of a majority of the Directors present in the Meeting, which shall include at least one Independent Director, if any.
236.		Each item of business requiring approval at the Meeting shall be supported by a note setting out the details of the proposal, relevant material facts that enable the Directors to understand the meaning, scope and implications of the proposal and the nature of concern or interest, if any, of any Director in the proposal, which the Director had earlier disclosed. Each item of business to be taken up at the Meeting shall be serially numbered.
237.		To transact urgent business, the Notice, Agenda and Notes on Agenda may be given at shorter period of time than stated above, if at least one Independent Director, if any, shall be present at such Meeting. If no Independent Director is present, decisions taken at such a Meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director, if any. In case the company does not have an Independent Director, the decisions shall be final only on ratification thereof by a majority of the Directors of the company, unless such decisions

		were approved at the Meeting itself by a majority of Directors of the company.
238.		The company shall comply with the procedure for convening and conducting the Board Meetings through video conferencing or other audio visual means in the manner provided in the Act and the Rules thereunder.
239.	**Shorter Notice**	A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting, or in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all Directors and shall be final only on ratification thereof by at least one Independent Director. Where the company does not have, for the time being, any Independent Director, a Board Meeting may be called at a shorter notice where such notice is approved by a majority of Directors present at such meeting.
240.	**Minimum number of Meetings of the Board**	The Board shall meet at least once in every calendar quarter, with a maximum interval of one hundred and twenty days between any two consecutive Meetings of the Board, such that at least four Meetings are held in each Calendar Year. The Directors may adjourn and otherwise regulate their meetings as they think fit.
241.	**Meeting of the Committees**	Committees shall meet as often as necessary subject to the minimum number and frequency stipulated by the Board or as prescribed by any law or authority.
242.	**Meeting of Independent Directors**	Where a company is required to appoint Independent Directors under the Act, such Independent Directors shall meet at least once in a Calendar Year.
243.	**Attendance at Meetings**	Every company shall maintain separate attendance registers for the meetings of the board and meetings of the committee.
244.		The attendance register shall contain the following particulars: serial number and date of the Meeting; in case of a Committee Meeting name of the Committee; place of the Meeting; time of the Meeting; names of the Directors and signature of each Director present; name and signature of the Company Secretary who is in attendance and also of persons attending the Meeting by invitation. The names of Directors who have participated in Board Meetings through Electronic Mode shall be entered and initialled* by the Company Secretary, stating the manner in which the Director so participated. * *A typographical error appears in our AoA which has been corrected herein.*
245.		Every Director, Company Secretary who is in attendance and every Invitee who attends a Meeting of the Board or Committee thereof shall sign the attendance register at that Meeting. Entries in the attendance register shall be authenticated by the Company Secretary or where there is no Company Secretary, by the Chairman by appending his signature to each page. The attendance register shall be kept in the custody of the Company Secretary.
246.		The attendance register shall be maintained at the Registered Office of the company or such other place as may be approved by the Board. The attendance register is open for inspection by the Directors. The attendance register shall be preserved for a period of at least eight financial years and may be destroyed thereafter with the approval of the Board.
247.		Leave of absence shall be granted to a Director only when a request for such leave has been received by the Company Secretary or by the Chairman.
248.	**When Meeting to be convened**	The Managing Director or a Director or a Secretary upon the requisition of Director(s), may at any time convene a meeting of the Directors.

249.	**Meetings of Board by Video/Audio-Visual conferencing**	Subject to the provisions of Section 173(2) of the Act and rules made thereunder, the Directors may participate in meetings of the Board by electronic mode as the Board may from time to time decide and Directors shall be allowed to participate from multiple locations through modern communication equipment's for ascertaining the views of such Directors who have initiated their willingness to participate by such Electronic mode, as the case may be.
250.	**Regulation for Meeting through Electronic Mode**	The Board may, by way of a resolution passed at a Meeting, decide the venues where arrangements may be made by the Company, at the Company's cost, for participation in the Board Meetings through Electronic Mode, as the case may be, in accordance to the provisions of 173(2) of the Act and Applicable Law. In case of a place other than such places where Company makes arrangement as above, the Chairman may decline the right of the Director to participate through Electronic Mode in view of concerns of security, sensitivity and confidentiality of Board proceedings. Where the Chairperson so permits a Director to participate in a place other than the Designated places where the Company has made the arrangement, the security and confidentiality of the Board proceedings shall be the responsibility of the Director so participating, and the cost and expense in such participation, where agreed to by the Chairperson, may be reimbursed by the Company.
251.		Subject as aforesaid, the conduct of the Board Meeting where a Director participates through Electronic Mode shall be in the manner as laid down under the Act and Rules made thereunder.
252.	**Chairperson for Board Meetings**	The Board may elect a Chairperson and Vice Chairperson of the Company as it may deem fit and may also determine the period for which they are to hold Office. The Chairperson of the company shall be the Chairperson of the Board. If the company does not have a Chairperson or it at any Meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Vice Chairperson and in his absence, the Directors present may choose one of their numbers to be Chairperson of the Meeting.
253.		The Chairman of the Board shall conduct the Meetings of the Board. If no Chairman is elected or if the Chairman is unable to attend the Meeting, the Directors present at the Meeting shall elect one of themselves to chair and conduct the Meeting, unless otherwise provided in the Articles.
254.	**Quorum**	The Quorum for a Meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 174 of the Act. If a quorum is not present within fifteen minutes from the time appointed for holding a Meeting of the Board it shall be adjourned until such date and time as the Chairperson of the Board shall decide.
255.		Quorum shall be present throughout the Meeting. Quorum shall be present not only at the time of commencement of the Meeting but also while transacting business.
256.		The Quorum for a Meeting of the Board shall be one-third of the total strength of the Board, or two Directors, whichever is higher. Where the number of Directors is reduced below the minimum fixed by the Articles, no business shall be transacted unless the number is first made up by the remaining Director(s) or through a general meeting.
257.		The presence of all the members of any Committee constituted by the Board is necessary to form the Quorum for Meetings of such

		Committee unless otherwise stipulated in the Act or any other law or the Articles or by the Board.
258.		A Director shall not be reckoned for Quorum in respect of an item in which he is interested and he shall not be present, whether physically or through Electronic Mode, during discussions and voting on such item.
259.		Directors participating through Electronic Mode in a Meeting shall be counted for the purpose of Quorum, unless they are to be excluded for any items of business under the provisions of the Act or any other law.
260.		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 the increasing the number of Directors to that fixed for the Quorum, or of summoning a General Meeting of the Company and for no other purpose.
261.	**Exercise of powers to be valid in Meetings where Quorum is present**	A Meeting of the Board of which a Quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board, or in accordance with Section 179(1) of the Act, the powers of the Company.
262.	**Matter to be decided on majority of votes.**	Save as otherwise expressly provided in the Act, questions arising at any Meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.
263.	**Power to appoint Committee and to delegate powers**	The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of its powers to committees consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Unless a power of the Board is not capable of being delegated, such power may be delegated by the Board to any of its Committees or to any of its Officers as the Board may determine.
264.		Any Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board.
265.		The Meetings and the proceedings of such Committee consisting of two or more Members shall be governed by the provisions herein contained for regulating the Meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board.
266.	**Resolution without Board Meeting/Passing of Resolution by Circulation**	The Chairman of the Board or in his absence, the Managing Director or in his absence, the Whole-time Director and where there is none, any Director other than an Interested Director, shall decide, before the draft Resolution is circulated to all the Directors, whether the approval of the Board for a particular business shall be obtained by means of a Resolution by circulation. Where not less than one-third of the total number of Directors for the time being require the Resolution under circulation to be decided at a Meeting, the Chairman shall put the Resolution for consideration at a Meeting of the Board.
267.		A Resolution proposed to be passed by circulation shall be sent in draft, together with the necessary papers, individually to all the Directors including Interested Directors on the same day. The draft of the Resolution to be passed and the necessary papers shall be circulated amongst the Directors by hand, or by speed post or by registered post or by courier, or by Email or by any other recognized electronic means.

		Each business proposed to be passed by way of Resolution by circulation shall be explained by a note setting out the details of the proposal, relevant material facts that enable the Directors to understand the meaning, scope and implications of the proposal, the nature of concern or interest, if any, of any Director in the proposal, which the Director had earlier disclosed and the draft of the Resolution proposed. The note shall also indicate how a Director shall signify assent or dissent to the Resolution proposed and the date by which the Director shall respond.
268.		The Resolution is passed when it is approved by a majority of the Directors entitled to vote on the Resolution, unless not less than one-third of the total number of Directors for the time being requires the Resolution under circulation to be decided at a Meeting. The Resolution, if passed, shall be deemed to have been passed on the last date specified for signifying assent or dissent by the Directors or the date on which assent from more than two-third of the Directors has been received, whichever is earlier, and shall be effective from that date, if no other effective date is specified in such Resolution.
269.		Resolutions passed by circulation shall be noted at the next Meeting of the Board and the text thereof with dissent or abstention, if any, shall be recorded in the Minutes of such Meeting.
270.		Passing of Resolution by circulation shall be considered valid as if it had been passed at a duly convened Meeting of the Board.
271.	**Acts of Board/Committee valid notwithstanding Formal Appointment**	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 there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been 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 and had not vacated his office or his appointment has been noticed by the Company to be invalid or to have been terminated.
272.	**Minutes of Proceedings of Meeting of Board**	The Company shall cause minutes of proceedings of every meeting of the Board and Committee thereof to be kept in such form by making within thirty days of the conclusion of every such meeting, entries thereof in the books kept for that purpose with their pages consecutively numbered in accordance to Section 118 of the Act or Applicable Laws. A distinct Minutes Book shall be maintained for Meetings of the Board and each of its Committees.
273.		Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Any document, report or notes placed before the Board and referred to in the Minutes shall be identified by initialing of such document, report or notes by the Company Secretary or the Chairman. Minutes, once signed by the Chairman, shall not be altered, save as mentioned in this Standard.
274.		In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by pasting or otherwise, if the minutes are kept in physical form. Minutes shall not be pasted or attached to the Minutes Book, or tampered with in any manner.

	Minutes of the Board Meetings, if maintained in loose-leaf form, shall be bound periodically depending on the size and volume and coinciding with one or more financial years of the company.
275.	The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat. Minutes shall be written in clear, concise and plain language.
276.	Minutes shall state, at the beginning the serial number and type of the Meeting, name of the company, day, date, venue and time of commencement and conclusion of the Meeting.
277.	Where the meeting of the Board takes place though Electronic Mode, the minutes shall disclose the particulars of the Director who attended the meeting through such means. The draft minutes of the meeting shall be circulated among all the Directors within fifteen days of the meeting either in writing or in Electronic Mode as may be decided by the Board and /or in accordance with Applicable laws. Minutes may be maintained in electronic form in such manner as prescribed under the Act and as may be decided by the Board. Minutes of all Meetings shall be preserved permanently in physical or in electronic form shall be maintained with Timestamp.
278.	Minutes shall record the names of the Directors present physically or through Electronic Mode, the Company Secretary who is in attendance at the Meeting and Invitees, if any, including Invitees for specific items. Every Director who attended the meeting, whether personally or through electronic Mode, shall confirm or give his comments in writing, about the accuracy of recording of the particular meeting in the minutes, within seven days or some reasonable time as decided by the Board after receipt of the draft minutes failing which his approval shall be presumed.
279.	All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.
280.	Where any earlier Resolution (s) or decision is superseded or modified, Minutes shall contain a reference to such earlier Resolution (s) or decision. Minutes of the preceding Meeting shall be noted at a Meeting of the Board held immediately following the date of entry of such Minutes in the Minutes Book.
281.	The minutes shall also contain: i. The name of the Directors present at the meeting; and ii. In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
282.	Nothing contained hereinabove shall deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairperson of the Meeting: i. is or could reasonable be regarded as defamatory of any person. ii. is irrelevant or immaterial to the proceedings; or iii. is detrimental to the interest of the Company.
283.	The Chairperson shall exercise an absolute discretion in regards to the inclusion or non- inclusion of any matter in the minutes on the grounds specified in this Article.

284.		Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein. Minutes of the Board Meeting shall be kept at the Registered Office of the company or at such other place as may be approved by the Board.
285.		Any Director of the Company may requisition for Physical inspection of the Board Meeting minutes by giving a prior notice of seven days. Provided that the Director can requisition to inspect Board Meeting minutes only for the period that her is on the Board of the Company. Provided further that the physical inspection shall be done solely by the Director himself and not by his authorized representative or any power of attorney holder or agent.
286.		Within fifteen days from the date of the conclusion of the Meeting of the Board or the Committee, the draft Minutes thereof shall be circulated by hand or by speed post or by registered post or by courier or by Email or by any other recognised electronic means to all the members of the Board or the Committee for their comments.
287.	**Powers of Board**	The Board may exercise all such powers of the Company and do all such acts ,and things as are not, by the Act and Applicable law made there under, or any other Act, or by the Memorandum, or by these Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act and the rules made thereunder, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions or provisions, as may be prescribed by the Company in general Meeting ; but no regulations made by the Company in General Meeting subject nevertheless to these Article, to the provisions of the Act and the rules made there under, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulations 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.
288.		The Board may subject to Section 185 & 186 of the Act and provisions of Applicable Law made there under shall by means of a resolution or where required, unanimous resolution passed at meeting of Board from time to time, invest, provide loans or guarantee or security on behalf of the Company to any person or entity.
289.	**Restriction on Power of Board**	Board of Directors should exercise the following powers subject to the approval of Company by a Special Resolution: i. To sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings. ii. To invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation; iii. To borrow money, where the money to be borrowed, together with the money already borrowed, together with the money already borrowed by the Company will exceed aggregate of its

		paid-up Share Capital and Free-Reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business. iv. To remit, or give time for the repayment of, any debt due from a Director.
290.	**Contribution to Charitable and other funds**	The Board of Directors of a Company may contribute to bonafide charitable and other fund. A prior permission of the Company in General Meeting (Ordinary Resolution) shall be required for if the aggregate of such contributions in a financial year exceeds 5% (five percent) of its average net profits for the three immediately preceding financial years.
291.	**Absolute powers of Board in certain cases**	Without prejudice to the general powers conferred by Section 179 (3) of the Act Applicable Laws made there under and the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in these Articles or the Applicable Law, it is hereby declared that the Directors shall have the following powers; that is to say, power: i. To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. ii. To act jointly and severally in all on any of the powers conferred on them. iii. To appoint and nominate any Person(s) to act as proxy for the purpose of attending and/or voting on behalf of the Company at a meeting of any Company or association. iv. To comply with the provisions of Applicable Law which in their opinion shall, in the interest of the Company be necessary or expedient to comply with. v. Subjects to Section 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory. vi. Subject to the provisions of the Act and Applicable Laws, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in Shares, Bonds, Debentures, Mortgages, or other securities of the Company, and such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled Capital or not so charged; vii. To secure the fulfilment of any contracts or engagement entered into by the Company by Mortgage or charge of all or any of the property of the Company and its uncalled Capital for the Company being or in such manner as they may think fit; viii. To accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed;

ix. To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular buy the issue of Debenture or Debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future).

x. To open and deal with current account, overdraft accounts with any bank/banks for carrying on any business of the Company.

xi. To appoint any person (whether incorporated or not) to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;

xii. To institute, conduct, defend, compound, refer to arbitration or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company.

xiii. To refer any claims or demands or differences by or against the Company or to enter into any contract or agreement for reference to arbitration, and observe, enforce, perform, compound or challenge such awards and to take proceedings for redressal of the same;

xiv. To make and give receipts, receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.

xv. Subject to the provision of Section 179 and 186 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being share of the Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments, save as provided in section 187 of the Act, all investment shall be made and held in the Company's own name;

xvi. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provision, covenants, and agreement as shall be agreed upon;

xvii. To determine from time to time who shall be entitle to sign, on the Company's behalf, bills, notes, receipts, acceptance, endorsements, Cheques, Dividends, Warrant, releases, contracts and document and to give necessary authority for such purpose;

xviii. Subject to provision of applicable Law, to give a director to any officer or any other person whether employed or not by the Company, Share or Shares in the profits of the Company, commission on the profit of any particular business or transaction; and to charges such bonus or commission as part of the working expenses of the Company.

xix. To provide for the welfare of Director or ex-Director or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of the houses, dwelling or by grant of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing and contributing to provident and other associations, institutions; funds or trust and by providing or subscribing or controlling towards places of instructions and recreations, hospitals and dispensaries, medical and other attendance and assistance as the Board shall think fit;

xx. To subscribe or contribute or otherwise to assist to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral and other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;

xxi. Before recommending any Dividend, to set aside out of the profit of the Company such sums as they may think proper for depreciation or to depreciation Fund, or to an Insurance Fund, or as a Reserve fund, or Sinking Fund, or any special Fund to meet contingencies or to repay Debentures or Debentures stock, or for special Dividends or for equalized Dividend or for repairing, improving, extending and maintaining any of the property of the Company or for such other purpose (including the purposes referred to in the preceding Clause), as the Board may, in their absolute discretion, think conducive to the interest of the company, and subject to Section 179 of the Act, to invest the several sums to set aside or so much thereof as required to be invested from such Investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such Investment and dispose of and any apply and expand all or any part thereof for the benefit of the Company.

xxii. To comply with the requirement of any local law which in their opinion it shall, in the interest of the Company, be necessary of expedient of comply with;

xxiii. Subject to applicable provision of the Act and Applicable Law made there under, to appoint purchasing and selling agents for purchase and sale of Company's requirement and products respectively.

xxiv. Subject to section 179 & 189 of the act from to time to time and at any time, delegate to any person so appointed any of the power, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow or moneys, and to authorise the members for the time being of any vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the boa may think fit, and the Board may at any time remove any person so appointed, and may annual or very such delegation.

		xxv. At any time and form time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and such powers, authorities and discretion(not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding else, except in their limits authorised by the Board, the power to make loans and borrow money) and for such period and subject to such conditions as the Board may from time to time fit; and any such appointment may (if the Board thinks fit) be made in the favour of the members or any of the members of any local Board, established as aforesaid or in the favour of any Company, or the shareholder, Directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly by the Board and any such power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them; xxvi. Subject to Section 184 and 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, agreements and to execute and do all such acts, deeds and things in the name and on behalf of the Company as they may Consider expedient; xxvii. Subject to the provision of the Act, the Board may pay such remuneration to Chairperson/Vice-Chairperson of the Board upon such condition as they may think fit. xxviii. To take insurance of any or all properties of the Company and any or all the employees and their dependents against any or all risks. xxix. To take Insurance on behalf of its Managing Director, Whole time Director, Managers, Chief Executive Officer, Chief Financial Officer or Company Secretary or any Officer or employee of the Company for indemnifying any of them against any liability in respect of negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.
292.	**Disclosure**	The Annual Report and Annual Return of a company shall disclose the number and dates of Meetings of the Board and Committees held during the financial year indicating the number of Meetings attended by each Director.
	MANAGING DIRECTOR/ WHOLE-TIME DIRECTOR	
293.	**Board may appoint Managing Director/(s)**	Subject to the provision of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member of members as Managing Directors(s)/Whole Time Directors of the Company for fixed term not exceeding five years at a time and upon such terms and condition as the Board thinks fit and subject to the provision of these Articles the Board may by resolution vest in such Managing Director(s)/Whole-Time director(s) such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods

		and upon such condition and subject to such restrictions as it may determine.
294.		Subject to the Article above, the powers conferred on the Managing Director/Whole Time director shall be exercised for such object and purpose and upon such terms and conditions and with such restrictions as the Board may think fit and it may confer such powers either collateral with or to the exclusion of and in substitution of all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such Powers.
295.	**Restriction on Management**	The Board of Directors may, subject to Section 179 of the Act, entrust to and upon confer upon a Managing or Whole Time Director any of the power exercisable by them, upon such terms and condition and with such restriction, 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.
296.	**Remuneration to Managing Directors/Whole-time Directors**	A Managing or Whole time director may be paid such remuneration, whether by way of monthly payment, fee for each meeting or at a specified percentage of the net profits of the Company, or by any of all these modes, or any other mode not expressly prohibited by the Act, as the Board of Directors may determine.
CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER		
297.		(i) Subject to the provision of the Act and rules made there under, the Board may appoint a Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer, at such remuneration and upon such condition as it may think fit, and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board. (ii) A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.
298.		A provision of the Act or these Regulations requiring or authorizing a thing to be done by or to a Director and Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer shall not be satisfied its being done by or to the same person acting both as Director and as, or in same place of, Chief Executive Officer, Manager, Company Secretary, Chief Financial Officer.
POWER TO AUTHENTICATE DOCUMENT		
299.		Any Director or the Company Secretary or any officer appointed by the Board for the purpose shall have power to authenticate any document affecting the Constitution of the Company and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts thereof, and where any books, records documents or accounts are then, at the office, the local manager or other officer of the company having custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.
300.		Document purporting to be a copy of resolution of the Board or an extract from the minutes of meeting of the Board which is certified as such in accordance with the provisions of last preceding article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed for, as the case may be that extract is through an accurate records of a duly constituted meeting of Directors.
THE SEAL		

301.		The Board shall provide for the safe custody of the seal.
302.		The seal of the Company shall not be affixed to any instrument except by the authority of the resolution of the Board or of the Committee of the Board by it in that behalf, and except in the presence of at least two Directors and of the Secretary or such other person as the board may appoint for the purpose; and those two Directors and the Secretary or other person shall sign every instrument to which the seal of the Company is so affixed in their presence.
		DIVIDENDS AND RESERVES
303.	**Division of profits**	The profits of the Company, subject to any special rights as to Dividends or authorized to be created by these articles, and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
304.	**The Company in General Meeting may declare a Dividend**	The Company in general meeting may declare Dividends to be paid to members according to their respective rights, but no Dividend shall exceed the amount recommended by the Board; the Company in general meeting may, however declare a smaller dividend. No Dividend shall bear interest against the Company.
305.	**Dividend only to be paid out of Profits**	The Dividend can be declared and paid only out of the following: i. out of the profits of the Company for that year arrived at after providing for Depreciation in accordance with the provisions of sub-section (2), or out of the profits of the Company for any previous Financial Year or Years arrived at after providing for Depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both; or ii. out of the money provided by Central or a State Government for payment of Dividend by the Company in pursuance of a guarantee given by that Government: **Provided** that a Company may, before the declaration of any Dividend in any Financial Year, transfer such percentage of its profit for that Financial Year as it may consider appropriate to the Reserves of the Company: **Provided further** that where, owing to inadequacy or absence of profits in any Financial Year, any Company proposes to declare Dividend out of the accumulated profits earned by it in previous year and transferred by the Company to the Reserves, such declaration of Dividend shall not be made except in accordance with such rules as may be prescribed in this behalf: **Provided also** that no Dividend shall be declared or paid by a Company from its Reserves other than free reserves.
306.	**Transfer to Reserve**	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 equalizing dividends and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
307.		The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

308.	**Interim Dividend**	Subject to the provisions of Section 123(2) and Applicable Law, 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.
309.	**Calls in advance not to carry rights to participate in Profits**	Subject to the rights of persons, if any, entitle to share 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.
310.		No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.
311.		All Dividend 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.
312.	**Deduction of money owed by the Company.**	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 of the Company.
313.	**Rights to Dividend where Shares transferred.**	A transfer of share shall not pass the right to any Dividend declared thereon before the registration of the transfer.
314.	**Dividend to be kept in abeyance.**	The Board may retain the Dividends payable in relation to such Shares in respect of which any person is entitled to become a member by virtue of transmission or transfer of Shares and in accordance with sub-section (5) of Section 123 of the Act or Applicable Law. The Board may also retain Dividends on which Company has lien and may apply the same towards satisfaction of debts, liabilities or engagements in respect of which lien exists.
315.	**Notice of Dividend.**	Notice of any Dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
316.	**Manner of paying Dividend.**	Any Dividend, interest or other monies payable in cash in respect of shares may be paid by way of cheque or warrant sent through the post directed to the registered address of the holder or, in case of joint holders, to the registered address of that one of the joint holder who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
317.		Every such cheque or warrant shall be made payable to the order of the person to whom or is sent.
318.	**Receipts for Dividends**	Any one of two or more joint holders of a share may give effective receipts for any Dividends, bonuses or other monies payable in respect of such share.
319.	**Non-Forfeiture of unclaimed Dividend**	No unclaimed Dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provisions of the Act in respect of all unclaimed or unpaid Dividends.
		ACCOUNTS
320.	**Directors to keep true accounts.**	Every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting:

		Provided that all or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place: **Provided** further that the company may keep such books of account or other relevant papers in electronic mode in such manner as may be prescribed.
321.		Where a company has a branch office in India or outside India, it shall be deemed to have complied with the provisions of sub-section (1), if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarised returns periodically are sent by the branch office to the company at its registered office or the other place referred to in sub-section (1).
322.		The books of account and other books and papers maintained by the company within India shall be open for inspection at the registered office of the company or at such other place in India by any director during business hours, and in the case of financial information, if any, maintained outside the country, copies of such financial information shall be maintained and produced for inspection by any director subject to such conditions as may be prescribed: **Provided** that the inspection in respect of any subsidiary of the company shall be done only by the person authorised in this behalf by a resolution of the Board of Directors.
323.		Where an inspection is made under sub-section (3), the officers and other employees of the company shall give to the person making such inspection all assistance in connection with the inspection which the company may reasonably be expected to give.
324.		The books of account of every company relating to a period of not less than eight financial years immediately preceding a financial year, or where the company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order: **Provided** that where an investigation has been ordered in respect of the company under Chapter XIV, the Central Government may direct that the books of account may be kept for such longer period as it may deem fit.
325.	**Preparation of revised Financial statements or Boards Report**	Subject to the provisions of Section 131 (to be effective on notification) of the Act and the Applicable Law made thereunder, the Board may require the preparation of revised financial statement of the Company or a revised Boards Report in respect of any of the three preceding financial years, if it appears to them that (a) the financial statement of the company or (b) the report of the Board do not comply with the provisions of section 129 or Section 134 of the act.
326.	**Place of keeping Accounts**	The Board shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors.

327.		No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board or by the Company in general meeting.
	AUDIT	
328.	**Auditors to be appointed**	Statutory Auditors and cost Auditors, if any, shall be appointed and their rights and duties regulated in accordance with Sectors 139 to 148 of the act and Applicable Laws. Where applicable, a Secretarial auditor shall be appointed by the Board and their rights and duties regulated in accordance with Sections 204 of the Act and Applicable Laws.
329.		Subject to the provisions of Section 139 of the act and rules made thereunder, the statutory Auditors of the Company shall be appointed for a term of consecutive years (in case Auditor is an Individual) or two terms of five consecutive years (in case Auditor is an Audit Firm) as the case may be subject to ratification by members at every annual general meeting. **Provided** that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons as may be recommended by the Board in accordance with Section 140 of the Act or Applicable Laws.
330.	**Remuneration of Auditors**	The remuneration of the Auditors shall be fixed by the company in Annual general meeting or in such manner as the company in general meeting may determine.
	SERVICE OF DOCUMENTS	
331.		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.
332.		Save as provided in this 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.
333.	**Admissibility of micro films, computer prints and documents to be treated as documents and evidence**	Any information in the form of a micro film of a document or image or a facsimile copy or any statement in a document included in a printed material produced by a computer shall be deemed to be a document and shall be admissible in any proceedings without further production of original, provided the conditions referred in Section 397 are complied with.
334.		All provisions of the Information Act, 2000 relating to the electronic records, including the manner and format in which the electronic record shall be filed, in so far as they are consistent with the Act, shall apply to the records in electronic form under Section 398 of the Act.
	WINDING UP	
335.		Subject to the provisions of Chapter XX of the Act and rules made thereunder-

	i. If the Company shall be wound up, the liquidator may, with the sanction of special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
INDEMNITY	
336.	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 Tribunal.
SECRECY	
337.	Every manager, Auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon then duties, sign a declaration pledging himself to observe strict secrecy respecting all bonafide 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 presents and the provisions of the Act.
338.	Subject to the provisions of these Articles and the Act, no member, or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or to examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be expedient in the interest of the Company to communicate.
TRANSITORY PROVISION	
339.	These Articles are in accordance with the Companies Act, 2013 and Rules made thereunder. They accordingly incorporate and refer to the provisions, Sections and Rules of the said Act and Rules made thereunder. In the event any provisions and sections of Companies Act, 1956 shall be deemed to have been included and incorporated herein until the said provisions of Companies Act, 2013 become effective.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following 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 or contracts entered into more than two (02) years before the date of this Prospectus) which are or may be deemed material will be attached to the copy of this Prospectus which will be delivered to the RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, were open for inspection at the Registered Office between 10 a.m. and 5 p.m. on all Working Days and on the website of our Company at www.aeroflexindia.com from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

I. Material Contracts for the Offer

i. Offer Agreement dated March 31, 2023 entered into between our Company, the Promoter Selling Shareholder and the BRLM.

ii. Registrar Agreement dated March 31, 2023 entered into between our Company, the Promoter Selling Shareholder and the Registrar to the Offer, along with addendum to the Registrar Agreement dated July 28, 2023.

iii. Cash Escrow and Sponsor Bank Agreement dated August 11, 2023 amongst our Company, the Promoter Selling Shareholder, the BRLM, Escrow Collection Banks, Sponsor Bank, Refund Bank, the Syndicate Member and the Registrar to the Offer.

iv. Share Escrow Agreement dated July 26, 2023 entered into between our Company, the Promoter Selling Shareholder and the Share Escrow Agent.

v. Syndicate Agreement dated August 11, 2023 entered into amongst our Company, the Promoter Selling Shareholder, the BRLM and the Syndicate Members.

vi. Underwriting Agreement dated August 25, 2023 entered into amongst our Company, the Promoter Selling Shareholder Syndicate Members and the Underwriters.

vii. Monitoring Agency Agreement dated June 15, 2023 entered into between our Company and the Monitoring Agency.

II. Material Documents

i. Certified copy of the updated Memorandum of Association and Articles of Association of our Company, updated from time to time.

ii. Certificate of incorporation dated October 19, 1993.

iii. Fresh certificate of incorporation dated October 28, 1998 consequent upon change of name from Suyog Intermediates Private Limited to Aeroflex Industries Private Limited.

iv. Fresh certificate of incorporation dated August 23, 2006 consequent upon conversion from private company to public company.

v. Resolution of the Board of Directors dated February 13, 2023 in relation to the Offer and other related matters.

vi. Shareholders’ resolution dated February 15, 2023 in relation to the Offer and other related matters.

vii. Resolution of the Board dated March 31, 2023 taking on record and approving the Draft Red Herring Prospectus Herring Prospectus.

viii. Resolution of the IPO Committee dated March 31, 2023, taking on record and approving the Draft Red Herring Prospectus Herring Prospectus.

ix. Resolution of the Board dated August 11, 2023 taking on record and approving the Red Herring Prospectus.

x. Resolution of the IPO Committee dated August 11, 2023, taking on record and approving the Red Herring Prospectus.

xi. Resolution of the IPO Committee dated August 25 , 2023, taking on record and approving the Prospectus.

xii. Copies of the annual reports of our Company for the Fiscals 2023, 2022 and 2021.

xiii. The examination report dated July 12, 2023 of our Statutory Auditors, M/s Shweta Jain & Co. Chartered Accountants, on the Restated Summary Statement, included in the Red Herring Prospectus and this Prospectus.

xiv. KPI Certificate dated March 31, 2023, from Shweta Jain & Co., Chartered Accountants certifying the Key Performance Indicators set out in the Draft Red Herring Prospectus.

xv. Certificate on Working Capital Requirements issued by our Statutory Auditors , M/s Shweta Jain & Co. Chartered Accountants, dated July 12, 2023

xvi. The report on statement of special tax benefits, dated July 12, 2023 from our Statutory Auditors , M/s Shweta Jain & Co. Chartered Accountants, available to our Company and its shareholders, as included in the Red Herring Prospectus and this Prospectus.

xvii. Consent of the Promoter Selling Shareholder, Directors, the BRLM, SMPs, Syndicate Members, Legal Counsel, Registrar to the Offer, Statutory Auditor, Underwriters, Bankers to our Company, Company Secretary and Compliance Officer and Chief Financial Officer, the Monitoring Agency, the Bankers to the Offer/Escrow Collection Bank/Refund Bank, Sponsor Banks, as referred to in their specific capacities. as referred to in their specific capacities.

xviii. Consent letter dated July 12, 2023 from our Statutory Auditors for inclusion of their name as an 'expert' as defined under Section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated July 12, 2023 on our Restated Financial Statements; and (ii) the statement of special tax benefits available to our Company and our Shareholders dated July 12, 2023 included in this Prospectus; and such consent has not been withdrawn as on the date of this Prospectus.

xix. Consent from D&B dated March 29, 2023 issued for inclusion of their name and to reproduce the industry report titled "*Flexible Flow Solutions Market in India*" dated March 29, 2023 in the Prospectus.

xx. Tripartite Agreement dated October 25, 2018 entered into between our Company, NSDL and the Registrar to the Offer.

xxi. Tripartite Agreement dated July 01, 2022 entered into between our Company, CDSL and the Registrar to the Offer.

xxii. The employee stock option scheme of our company namely, "Employee Stock Options Plan – 2022" approved by the members of the Company at the 28th AGM held on September 03, 2022

xxiii. Due Diligence Certificate dated March 31, 2023 addressed to SEBI from the BRLM.

xxiv. In principle listing approvals dated June 12, 2023 and June 13, 2023 issued by BSE and NSE Limited respectively.

xxv. SEBI Initial observation letter bearing reference number SEBI/CFD/RAC-DIL1/2023/18255 dated May 04, 2023.

xxvi. SEBI final observation letter bearing reference number SEBI/CFD/RAC-DIL1/2023/30682 dated July 31, 2023.

xxvii. No Dues Certificate dated August 30, 2018 issued by State Bank of India Limited; ii) No Dues Certificate dated September 01, 2018 issued by Bank of India Limited; iii) No Dues Certificate dated September 03, 2018 issued by International Asset Reconstruction Company Private Limited pursuant to assignment of facilities by Axis Bank Limited; iv) No Dues Certificate dated September 03, 2018 issued by International Asset Reconstruction Company Private Limited pursuant to assignment of facilities by Allahabad Bank Limited v) No Dues Certificate dated March 28, 2018 issued by UCO Bank Limited and vi) No Dues Certificate dated September 04, 2018 issued by Edelweiss Asset Reconstruction Company Limited pursuant to assignment of facilities by EXIM Bank Limited.

xxviii. Undertaking and confirmation from the BRLM confirming that as on date of the DRHP, neither our Company, nor our Promoter, nor entities forming part of our Promoter Group, nor any of our Directors are categorized as a 'Wilful Defaulter' and our Company is eligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations.

xxix. Certificate dated August 11, 2023 issued by M/s Shweta Jain & Co., Chartered Accountants the statutory auditors of our Company certifying the Key Performance Indicators set out in this Prospectus.

xxx. Report titled "Industry Analysis on Flexible Flow Solutions Market in India" dated March 29, 2023 prepared by Dun & Bradstreet Information Services India Private Limited, exclusively prepared for the purpose of the Offer and is commissioned and paid for by our Company and available for perusal at www.aeroflexindia.com.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholder's subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

I hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Asad Daud
Managing Director

Place: Mumbai
Date: August 25, 2023

DECLARATION

I hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR AND CFO OF OUR COMPANY

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Mustafa Abid Kachwala,
Whole-time Director and CFO

Place: Mumbai
Date: August 25, 2023

DECLARATION

I hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Harikant Ganeshlal Turgalia
Non-Executive Director

Place: Mumbai
Date: August 25, 2023

DECLARATION

I hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Ramesh Chandra Soni
Non-Executive Independent Director

Place: Mumbai
Date: August 25, 2023

DECLARATION

I hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Shilpa Bhatia
Non-Executive Independent Director

Place: Mumbai
Date: August 25, 2023

DECLARATION

I hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Partha Sarathi Sarkar
Non-Executive Independent Director

Place: Mumbai
Date: August 25, 2023

DECLARATION

I hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Arpit Khandelwal
Non-Executive Independent Director

Place: Mumbai
Date: August 25, 2023

DECLARATION BY PROMOTER SELLING SHAREHOLDER

Sat Industries Limited, hereby confirms that all statements and undertakings specifically made or confirmed by it in this Prospectus about or in relation to itself as a Promoter Selling Shareholder and its portion of the Offered Shares, are true and correct. Sat Industries Limited assumes no responsibility for any other statements, disclosure or undertakings including any of the statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

FOR AND ON BEHALF OF SAT INDUSTRIES LIMITED

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Harikant Ganeshlal Turgalia
Designation-Director

Place: Mumbai
Date: August 25, 2023