(*Please scan this QR Code to view the Prospectus*)

PROSPECTUS
Dated: September 30, 2024
Please read Section 32 of the Companies Act, 2013
100% Book Built Issue

DIFFUSION ENGINEERS LIMITED

Corporate Identity Number: U99999MH2000PLC124154

REGISTERED OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
T-5 & T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440016, Maharashtra, India	Chanchal Jaiswal *Company Secretary and Compliance Officer*	**Email:** cs@diffusionengineers.com **Telephone:** +91 9158317943	www.diffusionengineers.com

PROMOTERS OF OUR COMPANY ARE PRASHANT GARG, DR. NITIN GARG AND CHITRA GARG

DETAILS OF THE ISSUE TO THE PUBLIC

Type	Fresh Issue Size	Offer for Sale size	Total Issue Size	Eligibility and Share Reservation Among QIBs, NIIs, RIIs and Eligible Employees
Fresh Issue	9,405,000*# Equity Shares of face value ₹10/- each aggregating up to ₹1,579.64*# million	Not applicable	Up to 9,405,000 *# Equity Shares of face value ₹10/- each aggregating up to ₹ 1,579.64million*#	The Issue was made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For details, see "*Other Regulatory and Statutory Disclosures – Eligibility for the Issue*" on page 418. For further details in relation to share reservation among QIBs, NIIs, RIBs and Eligible Employees, see "*Issue Structure*" on page 441.

**Subject to finalization of Basis of Allotment*
 # A discount of ₹ 8 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion

RISKS IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and the Issue Price, to be determined by our Company in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Issue Price*" on page 159 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue 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 the Red Herring Prospectus and this Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 37.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the our Company and the Issue, which is material in the context of the Issue, 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 offer document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares to be issued through the Red Herring Prospectus and Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited and National Stock Exchange of India Limited. For the purposes of the Issue, National Stock Exchange of India Limited is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER

Name and Logo of Book Running Lead Manager		Contact person	Email and Telephone
UNISTONE	**Unistone Capital Private Limited**	Brijesh Parekh	**E-mail:** mb@unistonecapital.com **Tel:** +91 022-46046494

REGISTRAR TO THE ISSUE

Name and Logo of the Registrar		Contact person	Email and Telephone
	Bigshare Services Private Limited	Babu Rapheal C.	**E-mail:** ipo@bigshareonline.com **Telephone:** +91 22-6263 8200

BID/ ISSUE PERIOD

ANCHOR INVESTOR BID/ OFFER PERIOD	Wednesday, September 25, 2024	BID/ ISSUE OPENED ON	Thursday, September 26, 2024	BID/ ISSUE CLOSED ON	Monday, September 30, 2024

PROSPECTUS
Dated: September 30, 2024
Please read Section 32 of the Companies Act, 2013
100% Book Built Issue

DIFFUSION
Innovative superconditioning solutions

DIFFUSION ENGINEERS LIMITED

Our Company was incorporated under the provisions of the Companies Act, 1956 with the name "Diffusion Engineers Private Limited" pursuant to certificate of incorporation dated November 05, 1982 issued by Registrar of Companies, Maharashtra. Further, pursuant to resolutions passed by our Board of Directors at its meeting held on May 06, 1995 and by our Shareholders at the extra-ordinary general meeting held on May 17, 1995, our Company was converted into a public limited company. Consequently, our name was changed to "Diffusion Engineers Limited" and a fresh Certificate of Incorporation dated July 03, 1995, was issued by the Registrar of Companies, Karnataka at Bangalore. For details in relation to the change in our Registered Office of our Company, see "*History and Certain Corporate Matters*" beginning on page 276.

Registered Office: T-5 & T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440016 Maharashtra;
Telephone: +91 9158317943;
Contact Person: Chanchal Rajesh Jaiswal, Company Secretary and Compliance Officer;
E-mail: cs@diffusionengineers.com; **Website**: www.diffusionengineers.com
Corporate Identity Number: U99999MH2000PLC124154

PROMOTERS OF THE COMPANY: PRASHANT GARG, DR. NITIN GARG AND CHITRA GARG

INITIAL PUBLIC OFFER OF UP TO 9,405,000*# EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF DIFFUSION ENGINEERS LIMITED ("COMPANY OR "ISSUER") FOR CASH AT A PRICE OF ₹ 168 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 158 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ 1,579.64*# MILLION ("ISSUE").

THIS ISSUE INCLUDED A RESERVATION OF 50,000* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING TO 8.00*# MILLION (CONSTITUTING 0.13% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL) FOR PURCHASE BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WOULD CONSTITUTE 25.13% AND 25.00%, RESPECTIVELY, OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL. OUR COMPANY IN CONSULTATION WITH THE BRLM, OFFERED A DISCOUNT OF 4.76% (EQUIVALENT TO ₹8.00 PER EQUITY SHARE) TO THE ISSUE PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT").

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE ISSUE PRICE IS 16.80 TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND, EMPLOYEE DISCOUNT AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF BUSINESS STANDARD AND ALL EDITIONS OF BUSINESS STANDARD (WHICH ARE WIDELY CIRCULATED ENGLISH DAILY NEWSPAPER AND HINDI DAILY NEWSPAPER, AND YUVARASHTRA DARSHAN EDITIONS OF THE MARATHI REGIONAL NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

**Subject to finalization of Basis of Allotment*

 # A discount of ₹ 8 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion

The Issue was made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (**"SCRR"**) read with Regulation 31 of the SEBI ICDR Regulations. The Issue 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 Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIB Portion**"), provided that our Company, in consultation with the Book Running Lead Manager allocated up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLM, in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids was received from the domestic Mutual Funds at or above the price at which allocation was made to Anchor Investors ("**Anchor Investor Allocation Price**"). In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares were added to the QIB Portion (other than the Anchor Investor Portion) (the "**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation to NIIs ("**Non-Institutional Category**") of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Category was allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Net Issue was available for allocation to RIIs ("**Retail Category**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. Further, Equity Shares were allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Issue Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Issue only through the Application Supported by Blocked Amount ("**ASBA**") process and shall provide details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or the Sponsor Bank(s), as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. Further, Equity Shares were allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Issue Price. For details, see *"Issue Procedure"* on page *446*.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10. The Floor Price, Cap Price and Issue Price to be determined and justified by our Company in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "*Basis for Issue Price*" beginning on page 159 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, Bidders must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have neither been recommended, nor approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" beginning on page 37.

COMPANY'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 Issue, which is material in the context of the Issue, 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.

LISTING

The Equity Shares issued through the Prospectus are listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE Limited and National Stock Exchange of India Limited for the listing of the Equity Shares pursuant to letters dated July 26, 2024 and July 26, 2024, respectively. For the purposes of the Issue, the Designated Stock Exchange is National Stock Exchange of India Limited. A copy of the Red Herring Prospectus was filed and the Prospectus shall be filed to the Registrar of Companies, Maharashtra at Mumbai **("RoC")** for filing in accordance under Section 26(4) and Section 32 of the Companies Act. For details of the material contracts and documents available for inspection from the date of this Prospectus up to the Bid/ Issue Closing Date, see "*Material Contracts and Documents for Inspection*" beginning on page 516.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
UNISTONE	
UNISTONE CAPITAL PRIVATE LIMITED A/ 305, Dynasty Business Park, Andheri-Kurla Road, Andheri East, Mumbai – 400 059, India. **Telephone:** +91 022-46046494 **Facsimile:** NA **Email:** mb@unistonecapital.com **Investor grievance email:** compliance@unistonecapital.com **Contact Person:** Brijesh Parekh **Website:** www.unistonecapital.com **SEBI registration number:** INM000012449 **CIN:** U65999MH2019PTC330850	**BIGSHARE SERVICES PRIVATE LIMITED** S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai –400 093, Maharashtra, India. **Telephone**:022-62638200 **Facsimile**:022-63638280 **Email**: ipo@bigshareonline.com; **Investor grievance email**: investor@bigshareonline.com **Contact Person:** Babu Rapheal C. **Website**: www.bigshareonline.com **SEBI Registration Number**: INR000001385 **CIN**: U99999MH1994PTC076534

BID/ ISSUE PROGRAMME

ANCHOR INVESTOR BID/ OFFER PERIOD	Wednesday, September 25, 2024	**BID/ ISSUE OPENED ON**	Thursday, September 26, 2024	**BID/ ISSUE CLOSED ON**	Monday, September 30, 2024

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation framed from time to time under that provision.

In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

The words and expressions used in this Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations framed thereunder. Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Possible Special Tax Benefits", "Restated Consolidated Financial Statements", "Basis for Issue Price", "Outstanding Litigation and Material Developments", "Issue Procedure" and "Main Provisions of Articles of Association" beginning on pages 196, 271, 190, 325, 159, 402, 446 and 473 respectively shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
"our Company" or "the Company" or "the Issuer" or "DEL"	Diffusion Engineers Limited, a public limited company incorporated under the Companies Act and having its registered office at T-5 & T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440016, Maharashtra, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company

Company Related Terms

Term	Description
"Articles of Association" or "AoA" or "Articles"	Articles of association of our Company, as amended
Audit Committee	Audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, the SEBI Listing Regulations and as described in "*Our Management*" on page 292
"Auditors" or "Statutory Auditors"	M/s. PGS & Associates, the statutory auditors of our Company
"Board" or "Board of Directors"	Board of directors of our Company, as constituted from time to time
"Chairman and Managing Director" or "CMD"	The Chairman and Managing Director of our Company, Prashant Garg. For further details, see *"Our Management"* on page 292.
Chief Financial Officer/ CFO	Chief financial officer of our Company, Abhishek Mehta. For further details, see *"Our Management"* on page 292.

Term	Description
Company Secretary and Compliance Officer	Company Secretary and compliance officer of our Company, Chanchal Jaiswal. For further details, see *"Our Management"* on page 292.
CRISIL Report	The Industry Report titled "*Assessment of welding consumables, wear plates and Heavy engineering equipment market in India*" dated September 2024 prepared and issued by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited, which has been commissioned and paid for by our Company exclusively in connection with the Issue. The CRISIL Report is available on the website of our Company at https://www.diffusionengineers.com/investors-relation until the Bid / Issue Closing Date.
Director(s)	Director(s) on our Board
Equity Shares	Equity shares of face value of ₹10/- each of our Company
Executive Director(s)	Executive director(s) on our Board
Group Companies	Our group companies as disclosed in "*Our Group Companies*" on page 321.
Independent Director(s)	An Independent director(s) appointed in accordance with the Companies Act and the SEBI Listing Regulations on our Board. For details of the Independent Directors, see "*Our Management*" on page 292.
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company shall have the meaning as set out under Regulation 2(1)(bb) of the SEBI ICDR Regulations and in terms of the section 2(51) of the Companies Act as described in "*Our Management – Key Managerial Personnel*" on page 311 of this Red Herring Prospectus
KPI(s)	Key Performance Indicator(s)
Materiality Policy	The materiality policy adopted by our Board on December 13, 2023, for identification of (a) Group Companies; (b) material outstanding litigations; and (c) outstanding dues to material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Red Herring Prospectus, the Red Herring Prospectus and this Prospectus
"Memorandum of Association" or "MoA"	Memorandum of Association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, the SEBI Listing Regulations and as described in "*Our Management*" on page 292
Non-Executive Director	Non-Executive Director(s) on our Board appointed as per the Companies Act and the SEBI Listing Regulations as described in "*Our Management*" on page 292
Promoters	The promoters of our Company namely, Prashant Garg, Dr. Nitin Garg and Chitra Garg. For details, see "*Our Promoter and Promoter Group*" on page 315
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoter and Promoter Group*" on page 315
Proposed Expansion	Our proposed expansion at Khasra No. 36, 38/1, 38/2, 38/3, Khapri (Uma), Nagpur- 441 501, Maharashtra, India
Proposed Facility	Our proposed facility at Plot Nos. 33-B/1/1/ & 33-B/1/1/Part, MIDC, Hingna, Sonegaon District, Nagpur – 440 016, Maharashtra, India

Term	Description
Registered Office	The registered office of our Company situated at T-5 & T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440016 Maharashtra, India
"Registrar of Companies" or "RoC"	Registrar of Companies, Maharashtra at Mumbai
Restated Consolidated Financial Statements	The restated consolidated financial statement of our Company as at and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, comprise of the restated consolidated statement of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of cash flows, the restated statement of changes in equity for Financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, the statement of significant accounting policies and other explanatory notes thereon, derived from the audited Ind AS financial statements for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 restated in accordance with 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.
Restated Standalone Financial Statements	The restated standalone financial statement of our Company as at and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, comprise of the restated standalone statement of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the restated standalone statement of profit and loss (including other comprehensive income), the restated standalone statement of cash flows, the restated statement of changes in equity for the Financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, the statement of significant accounting policies and other explanatory notes thereon, derived from the audited Ind AS financial statements for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 restated in accordance with 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.
Shareholders	Equity Shareholders of our Company from time to time
Senior Management Personnel/ SMP	Senior management personnel of our Company in terms of the SEBI ICDR Regulations and as disclosed in "*Our Management – Senior Management*" on page 311.
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act and the SEBI Listing Regulations and as described in "*Our Management*" on page 292.
Subsidiaries	The subsidiaries of our Company as on the date of this Red Herring Prospectus, as disclosed in "*Our Subsidiaries*" on page 284. For the purpose of financial information included in this Red Herring Prospectus, "subsidiaries" would mean subsidiaries of our Company as at and for the relevant period/ Financial Year
"Unit I"	Our manufacturing facility situated at T-5 & T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440016 Maharashtra, India

Term	Description
"Unit II"	Our manufacturing facility at N-78, N-79, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440016 Maharashtra, India
"Unit III"	Our manufacturing facility at T-12, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440016 Maharashtra, India
"Unit IV"	Our manufacturing facility at Khasra No. 35, 36, 38/1, 38/2, 38/3, Khapri (Uma), Nagpur - 441 501, Maharashtra, India
"Units"	Our manufacturing facilities situated at: a. T-5 & T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440016 Maharashtra, India b. N-78, N-79, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440 016 Maharashtra, India c. T-12, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440 016 Maharashtra, India d. Khasra No. 35, 36, 38/1, 38/2, 38/3, Khapri (Uma), Nagpur– 441 501, Maharashtra, India.

Issue Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity shares to the successful applicants
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and this Prospectus and who had Bid for an amount of at least ₹100 Million
Anchor Investor Allocation Price	₹ 168 per Equity Share
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus.
Anchor Investor Bid/ Issue Period or Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors were submitted and allocation to the Anchor Investors was completed, being Wednesday, September 25, 2024.
Anchor Investor Issue Price	₹ 168 per Equity Share

Term	Description
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), the Anchor Investor Bid / Offer Period
Anchor Investor Portion	60% of the QIB Portion constituting 28,06,500* Equity Shares which was allocated by our Company in consultation with the Book Running Lead Manager, 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 having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations **Subject to finalization of Basis of Allotment*
Application Supported by Blocked Amount or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and which included applications made by UPI Bidders where the Bid Amount was blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders, which were blocked by such SCSB or the account of the UPI Bidders blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI mechanism to the extent of the Bid Amount of the ASBA Bidder
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders (other than Anchor Investors) in the Issue who intend to submit a Bid
ASBA Form	An application form, whether physical or electronic, which was used by ASBA Bidders to submit Bids and were considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Banker(s) to the Issue	Collectively, Escrow Collection Bank(s), Public Issue Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue as described in "*Issue Procedure*" beginning on page 446
Bid	An indication to make an offer during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and paid by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid.

Term	Description
	RIBs could apply at the Cut-off Price and the Bid amount was Cap Price, multiplied by the number of Equity Shares of face value of ₹10 each Bid for by such RIBs mentioned in the Bid cum Application Form. However, Eligible Employees who applied in the Employee Reservation Portion could apply at the Cut-off Price and the Bid amount was the Cap Price net of Employee Discount, multiplied by the number of Equity Shares of face value of ₹10 each Bid for by such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee could not exceed ₹0.50 million (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million (net of employee discount). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion shall be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million (net of employee discount) subject to the maximum value of Allotment being made to such Eligible Employee not exceeding ₹0.50 million (net of Employee Discount).
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	88 Equity Shares of face value of ₹10 each and in multiples of 88 Equity Shares of face value of ₹10 each thereafter.
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, being Monday, September 30, 2024
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, being Thursday, September 26, 2024
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, being Thursday, September 26, 2024 till Monday, September 30, 2024, inclusive of both days.
Bidder/ Applicant	Any investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries accepted the Bid cum Application Forms, i.e. Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue has been made
"Book Running Lead Manager" or "BRLM" or "Lead Manager"	The book running lead manager to the Issue namely, Unistone Capital Private Limited
Broker Centres	The broker centres notified by the Stock Exchanges where Bidders could submit the ASBA Forms to a Registered Broker.

Term	Description
	The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who will be allocated the Equity Shares, on or after the Anchor Investor Bid/ Issue Period
Cap Price	₹ 168 per Equity Share
Cash Escrow and Sponsor Bank Agreement	Agreement dated September 19, 2024 entered amongst our Company, the Book Running Lead Manager, the Banker(s) to the Issue, the Syndicate Member and Registrar to the Issue for, inter alia, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	The client identification number maintained with one of the Depositories in relation to demat account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) as per the list available on the websites of BSE and NSE, as updated from time to time
Collecting Registrar and Share Transfer Agents / CRTAs	Registrar and 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 of the SEBI UPI Circulars
Cut-off Price	The Issue Price, i.e. ₹ 168 as finalized by our Company in consultation with the Book Running Lead Manager. Only Retail Individual Bidders Bidding in the Retail Portion and Eligible Employees Bidding under the Employee Reservation Portion were entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders were not entitled to Bid at the Cut- off Price
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/ husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which collected the ASBA Forms, a list of which was available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders could submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which funds from the Escrow Account(s) are transferred to the Public Issue Account(s) or the Refund Account(s), as appropriate, and the

Term	Description
	relevant amounts blocked in the ASBA Accounts are transferred to the Public Issue Account(s) and/ or are unblocked, as applicable, in terms of the Red Herring Prospectus and this Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares may be Allotted to successful Bidders in the Issue
Designated Intermediary(ies)	SCSBs, Syndicate, sub-Syndicate, Registered Brokers, CDPs and RTAs who were authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Issue. In relation to ASBA Forms submitted by RIBs, Non-Institutional Bidders Bidding with an application size of up to ₹ 500,000 (not using the UPI Mechanism) and the Eligible Employees Bidding in the Employee Reservation Portion by authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.
Designated RTA Locations	Such locations of the RTAs where Bidders could submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the 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 shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	National Stock Exchange of India Limited
"Draft Red Herring Prospectus" or "DRHP"	The draft red herring prospectus dated April 27, 2024 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda or corrigenda thereto
Eligible Employees	Permanent employees, working in India or outside India (excluding such employees who are not eligible to invest in the Issue under applicable laws), of our Company; or a Director of our Company, (excluding such employees who are not eligible to invest in the Issue under applicable laws) whether whole-time or not, as on the date of the filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company until the date of submission of the Bid cum Application Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; or (iii) Directors who either themselves or through their relatives Term Description or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee did not exceed ₹0.50 million (net of the Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion did not exceed ₹0.20 million. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion shall be available for allocation and Allotment, proportionately to all Eligible Employees who would have Bid in excess of ₹0.20 million, subject to the maximum value of Allotment made to such

Term	Description
	Eligible Employee not exceeding ₹0.50 million (net of the Employee Discount)
Eligible FPI(s)	FPI(s) that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it was not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constituted an invitation to subscribe to or to purchase the Equity Shares
Employee Discount	Our Company may, in consultation with the BRLM, offered a discount of 4.76% to the Issue Price (equivalent of ₹8.00 per Equity Share) to Eligible Employee(s) Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Issue Opening Date
Employee Reservation Portion	The portion of the Issue being 50,000* Equity Shares of face value ₹10/- each aggregating ₹ 8.00 Million*# which did not exceed 5.00% of the post-Issue Equity Share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis. **Subject to finalisation of Basis of Allotment* *#A discount of ₹ 8.00 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion*
Escrow Account(s)	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors transferred money through NACH/ direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank	Bank(s) which are clearing member(s) and registered with SEBI as banker(s) to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account(s) will be opened, in this case being ICICI Bank Limited
First Bidder	Bidder whose name was mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appeared as the first holder of the beneficiary account held in joint names
Floor Price	₹159 per Equity Share
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
"General Information Document" or "GID"	The General Information Document for investing in public issues, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the SEBI circular no. SEBI / HO / CFD / DIL2 /CIR/P/ 2020/50 dated March 30, 2020, and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM
Issue/ Offer	The initial public issue of 9,405,000*# Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ 168/- each (including a share premium of ₹ 158/- per Equity Share), aggregating up to ₹ 1,579.64 million*# by our Company The Issue comprises of the Net Issue and Employee Reservation Portion

Term	Description
	**Subject to finalisation of Basis of Allotment* *#A discount of ₹ 8.00 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion*
Issue Agreement	The issue agreement dated December 22, 2023 entered into between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	₹ 168 per Equity Share, being the final price within the Price Band, at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors, as determined in accordance with the Book Building Process and determined by our Company, in consultation with the Book Running Lead Manager, in terms of the Red Herring Prospectus and this Prospectus on the Pricing Date. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus and this Prospectus. The Issue Price will be decided by our Company, in consultation with the BRLM on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus. A discount of 4.76% on the Issue Price (equivalent of ₹8.00 per Equity Share) was offered to Eligible Employees Bidding in the Employee Reservation Portion. This Employee Discount, if any, will be decided by our Company, in consultation with the BRLM.
Issue Proceeds	The proceeds of the Issue which shall be available to our Company
Monitoring Agency	CRISIL Ratings Limited.
Monitoring Agency Agreement	The agreement dated September 16, 2024, entered between our Company and the Monitoring Agency.
Mutual Fund Portion	5% of the Net QIB Portion, or 93,550* Equity Shares of face value ₹10/- each which was made available for allocation to Mutual Funds only, subject to valid Bids having been received at or above the Issue Price. **Subject to finalization of Basis of Allotment*
Net Issue	The Issue, less the Employee Reservation Portion
Net Proceeds	Proceeds of the Issue less the Issue expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see "*Objects of the Issue*" beginning on page 159
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
"Non-Institutional Bidders" or "Non-Institutional Investors" or "NIBs" or "NIIs"	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000/- (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	Portion of the Issue being not less than 15% of the Net Issue consisting of 14,03,250* Equity Shares of face value ₹10/- each which will be made available for allocation on a proportionate basis to Non-Institutional Investors, of

Term	Description
	which one-third shall be available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million and two-thirds shall be available for allocation to Bidders with an application size of more than ₹1.00 million provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors, subject to valid Bids having been received at or above the Issue Price **Subject to finalization of Basis of Allotment*
"Non-Resident"/ "NR"	Person resident outside India, as defined under FEMA and includes a non-resident Indian, FVCIs and FPIs
Price Band	Price band ranging from a the floor price of ₹ 159 per Equity Share and the Cap price of ₹ 168 per Equity Share (Cap Price) including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the Book Running Lead Manager, and will be advertised, at least two Working Days prior to the Bid/Issue Opening Date, in all editions of Business Standard, the English national daily newspaper, all editions of Business Standard, the Hindi national daily newspaper and all editions of Yuvarashtra Darshan, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company, in consultation with the Book Running Lead Manager, finalized the Issue Price, being September 30, 2024
Prospectus	This prospectus filed with the RoC on September 30, 2024 after the Pricing Date in accordance with Section 26 of the Companies Act, and the SEBI ICDR Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information, including any addenda or corrigenda hereto
Public Issue Account	Bank account to be opened with the Public Issue Bank, under Section 40(3) of the Companies Act to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
Public Issue Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Issue Account will be opened, in this case being HDFC Bank Limited
QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue consisting of 46,77,500* Equity Shares of face value ₹10/- each which has been made available for allotment to QIBs (including Anchor Investors), subject to valid Bids having been received at or above the Issue Price or Anchor Investor Issue Price (for Anchor Investors) **Subject to finalization of Basis of Allotment*
"Qualified Institutional Buyers" or "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations

Term	Description
"Red Herring Prospectus" or "RHP"	The Red Herring Prospectus dated September 20, 2024 issued in accordance with Section 32 of the Companies Act and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the Issue Price and the size of the Issue, including any addenda and corrigenda thereto. The Bid/ Issue Opening Date was at least three Working Days after filing of the Red Herring Prospectus with the RoC and has become the prospectus upon filing with the RoC on the Pricing Date
Refund Account	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank	Banker(s) to the Issue and with whom the Refund Account(s) will be opened, in this case being ICICI Bank Limited.
Registered Brokers	Stock brokers registered with SEBI and the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of the SEBI circular number CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated December 23, 2023 entered by and amongst our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable), and the UPI Circulars, as per the lists available on the websites of BSE and NSE
"Registrar to the Issue" or "Registrar"	Bigshare Services Private Limited
"Retail Individual Bidder(s)" or "RIB(s)" or Retail Individual Investor(s) or RII(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹0.2 million in any of the bidding options in the Issue (including HUFs who applied through their Karta and Eligible NRIs)
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue consisting of 32,74,250* Equity Shares of face value ₹10/- each which was available for allocation to Retail Individual Bidders as per SEBI ICDR Regulations, (subject to valid Bids having been received at or above the Issue Price) **Subject to finalization of Basis of Allotment*
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders could revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	(i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or

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	www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time. Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing in the "list of mobile applications for using UPI in Public Issues" displayed on SEBI website at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43. the said list shall be updated on SEBI website
SMS	Short Messaging Service
Specified Locations	Bidding Centres where the Syndicate accepted Bid cum Application Forms
Sponsor Bank(s)	HDFC Bank Limited and ICICI Bank Limited, being a Banker to the Issue, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and/ or payment instructions of the RIBs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars
Stock Exchanges	Together, BSE and NSE
Syndicate Agreement	Agreement dated September 18, 2024 entered amongst our Company, the Book Running Lead Manager, the Registrar and the Syndicate Members, in relation to collection of Bids by the Syndicate
Syndicate Member	Intermediary registered with the Board and who is permitted to accept bids, applications and place orders with respect to the issue and carry on the activity as an underwriter; namely, Globalworth Securities Limited
Underwriters	BRLM and the Syndicate Member
Underwriting Agreement	The underwriting agreement dated September 30, 2024 entered into between our Company, the Underwriters and the Registrar to the Issue.
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors who applied as (i) Retail Individual Bidders in the Retail Category, and (ii) Eligible Employee Bidding in Employee Reservation Portion; and (iii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Category, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Member, Registered Brokers, Collecting Depository Participants and Collecting Registrar and Share Transfer Agents. Pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 are required to use the UPI Mechanism and are required to provide their UPI ID in the Bid cum Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock

Term	Description
	exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular number CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, March 2021 Circular, June 2021 Circular, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular with circular number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 (to the extent that such circulars pertain to the UPI Mechanism), SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and any subsequent circulars or notifications issued by SEBI in this regard, along with the circular issued by the Stock Exchanges in this regard, including the circular issued by the NSE National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard.
UPI Investor	Collectively, individual investors applying as (i) Retail Individual Investors in the Retail Portion, and (ii) Non-Institutional Investors with an application size of up to ₹0.50 million in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to the April 5, 2022 Circular, all individual investors applying in public issues where the application amount is up to ₹0.50 million shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI ID	Identity document created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.

Term	Description
	In accordance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 UPI 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
UPI Mechanism	The bidding mechanism that was used by RIBs in accordance with the UPI Circulars to make an ASBA Bid in the Issue
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter or Fraudulent Borrower	Wilful Defaulter or Fraudulent Borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	All days on which commercial banks in Mumbai are open for business provided however, with reference to (a) announcement of Price Band and (b) Bid/Issue Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" meant all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI from time to time.

Technical/ Industry Related Terms or Abbreviations

Term	Description
ABC	Architecture, building & construction
ART	Automotive, railway & transport
CEFCs	Common Engineering Facility Centres
CMTI	Central Manufacturing Technology Institute
BESS	Battery Energy Storage Systems
BIS	Bureau of Indian Standards
CNC	Computer Numerical Control
DG Set(s)	Diesel generator set(s)
DSIR	Department of Scientific and Industrial Research
DPSUs	Defense Public Sector Unit
EDM	Electrical Discharge Machining
FRP	Fair and Remunerative Price
GW	Gigawatt
HORECA	Hotels, Restaurants and Cafes
HVAC	Heating, ventilation and air conditioning
iDEX	Innovation for Defense Excellence

Term	Description
ISO	International Organization for Standardization
IISc	Indian Institute of Science
IIT	Indian Institutes of Technology
IMARC	International Market Analysis Research and Consulting Group
LSEM	Large-Scale Electronics Manufacturing
MIG	Metal Active Gas
mm./ MM/ M.M./m.m.	Millimetres
MRP	Maximum Retail Price
MT	Metric tonnes
WSS	Water Supply and Sanitation
MTPA/MTA	Metric tonnes per annum
MVR	Mechanical Vaccum Re-compression
Non- GAAP Measure(s)	Non-GAAP measures comprises EBIT, EBITDA, EBITDA Margin, Gross Margin, Other Operating Expenses, Capital Employed, Return on Capital Employed, Return on Equity, Debt to Equity, PAT Margin, CAGR and others
OEMs	Original equipment manufacturers
P&M	Plant and machinery
PPE	Property, plant and equipment
PSP	Pumped Storage Plants
RAPH	Rotating-Plate Regenerative Air Preheaters
R&D	Research and development
ROU	Right to use assets
SAW	Submerged Arc Welding
SKU/SKUs	Stock keeping unit(s)
SRIJAN portal	Self-Reliant Initiatives through Joint Action portal
Sq.Ft./ sqft/ sq. ft.	Square feet
Sq.M/ sqm/ sq. mtr.	Square meters
TIG	Tungsten Inert Gas
TIPs	Technology Innovation Portals
TPM	Tonnes per month
TPD	Tonnes per day
WHO	World Health Organization

Conventional and General Terms or Abbreviations

Term	Description
₹/ Rs./ Rupees/ INR	Indian Rupees
A/c	Account
Adv. Est.	Advance Estimates
AIFs	Alternative Investments Funds
Air Act	Air (Prevention and Control of Pollution) Act, 1981

Term	Description
AGM	Annual general meeting
AS/Accounting Standards	Accounting Standards issued by the ICAI
B2B	Business to business
B2C	Business to customer
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate (as a %): (End Year Value/ Base Year Value) ^ (1/No. of years between Base year and End year) –1 [^ denotes 'raised to']
Capital Employed	Capital employed is calculated as total assets less current liabilities
CARO	Companies Auditor's Report Order, 2020
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II FPIs	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Companies Act	Companies Act, 2013 and Companies Act, 1956, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have an effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder.
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections by the Ministry of Corporate Affairs, Government of India as of the date of this Red Herring Prospectus, along with the relevant rules made thereunder
Competition Act	Competition Act, 2002
COVID-19	Coronavirus disease 2019, a respiratory illness caused by the Novel Coronavirus and 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
CPI	Consumer Price Index
CSR	Corporate Social Responsibility
CST	Central Sales Tax
CWIP	Capital work-in-progress
Debt to Equity	Debt to equity is calculated as borrowings under non-current liabilities plus current maturities of long- term debts plus borrowings under current liabilities, divided by total equity

Term	Description
Demat	Dematerialized
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
Dist./Dist	District
DP or Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion)
DRT	Debt Recovery Tribunal
EBIT	Earnings before interest and tax
EBITDA	EBITDA is calculated as restated profit for the year/ period, plus total tax expenses, finance costs and depreciation and amortization expenses
EBITDA Margin	EBITDA Margin is the percentage of EBITDA divided by revenue from operations
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ERP	Enterprise resource planning
Est.	Estimated
EU	European Union
Euro or €	Euro, the official currency of the Eurozone
FCNR	Foreign Currency Non-Resident
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the provisions of FEMA
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations there under
FEMA Non-debt Instruments Rules/ FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Regulations	The Foreign Exchange Management (Non Debt Instruments) Rules, 2019, the Foreign Exchange Management (Mode of Payment and Reporting of Non Debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable
Financial Year/ Fiscal/Fiscal Year/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIR	First information report
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations

Term	Description
Fraudulent Borrower	Fraudulent Borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
FZE	Free Zone Establishment
GAAR	General Anti-Avoidance Rules
Gazette	Gazette of India
"GBP" / "£" / "Pound"	British Pound
GDP	Gross domestic product
GFCF	Gross fixed capital formation
GoI or Government or Central Government	Government of India
Gross Margin	Gross Margin is calculated as revenue from operations less Material Cost
GST	Goods and services tax
GVA	Gross value added
HNI	High Net worth Individual
H.R./HR	Human Resources
HUF	Hindu undivided family
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ICAI Guidance Note	Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IIP	Index of Industrial Production
IMF	International Monetary Fund
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Ind AS 24	Indian Accounting Standard 24, "Related Party Disclosures", notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015
Ind AS 37	Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets", notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015
Ind AS 110	Indian Accounting Standard 110, "Consolidated Financial Statements", notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP/ IGAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act and read together with paragraph 7 of the

Term	Description
	Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
INR/Indian Rupees/Rupee/₹/Rs.	Indian Rupee, the official currency of the Republic of India
IPC	The Indian Penal Code, 1860
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act or Income Tax Act	The Income Tax Act, 1961
MCA	Ministry of Corporate Affairs
MICR	Magnetic Ink Character Recognition
MIDC/M.I.D.C.	Maharashtra Industrial Development Corporation
Mn/ mn	Million
MSME	Micro, small or a medium enterprise.
m-o-m	Month on Month
MOSPI	The Ministry of Statistics and Programme Implementation
MT	Metric Tonne
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
MVAT	Maharashtra Value Added Tax
N/A/ N.A./ NA	Not applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Funds Transfer
No(s).	Number(s)
Non-GAAP Measure(s)	Non-GAAP measures comprises EBIT, EBITDA, EBITDA Margin, Gross Margin, Other Operating Expenses, Capital Employed, Return on Capital Employed, Return on Equity, Debt to Equity, PAT Margin, CAGR and others
Novel Coronavirus	Severe acute respiratory syndrome coronavirus 2, a strain of coronavirus that causes coronavirus disease 2019, a respiratory illness.
NPCI	National Payments Corporation of India
NRE Account	Non-resident external rupee account
NRI	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, 2016 or an overseas citizen of India cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited

Term	Description
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
Other Operating Expenses	Other operating expenses is calculated as other expenses less freight and forwarding charges and advertisement and sales promotion expenses.
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit after tax
PAT Margin	PAT Margin is calculated as restated profit for the year/ period divided by total income, represented as a percentage.
PhD	Doctor of Philosophy
PHP	Philippine Peso
P/E	Price/earnings
P/E Ratio	Price to Earnings ratio
PFCE	Private Final Consumption Expenditure
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
"Ringgit" / "RM"	Malaysian Ringgit
RONW	Return on net worth
ROCE	Return on Capital Employed is calculated as EBIT divided by average Capital Employed
ROE	Return on equity is calculated as restated profit for the year/ period divided by average total equity
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SAP	Systems, Applications & Products in Data Processing
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000

Term	Description
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI SBEBSE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
SGD	Singapore Dollar
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
Stamp Act	The Indian Stamp Act, 1899
STT	Securities transaction tax
Total Borrowings	Total borrowings is calculated as borrowings under non-current liabilities, plus current maturities of long-term debts, plus borrowings under current liabilities
TAN	Tax deduction account number
TRY	Turkish Lira
U.K./UK	United Kingdom
U.A.E./ UAE	United Arab Emirates
U.S. Securities Act	U.S. Securities Act of 1933
U.S./USA/United States	United States of America
USD or US$	United States Dollars
VaR	Value at risk
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Water Act	Water (Prevention and Control of Pollution) Act 1974
WPI	Wholesale Price Index
y-o-y	Year on Year

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

Certain Conventions

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

Unless otherwise specified, any time mentioned in this Prospectus is in Indian Standard Time (**“IST”**). Unless indicated otherwise, all references to a year in this Prospectus are to a calendar year.

Unless the context requires otherwise, all references to page numbers in this Prospectus are to the page numbers of this Red Herring Prospectus.

Financial Data

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year.

Unless otherwise stated or context requires otherwise, the financial information and financial ratios included in this Prospectus have been derived from our Restated Consolidated Financial Statements.

The financial data in this Prospectus is derived from the restated statement of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows, the restated statement of changes in equity for the Financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, the statement of significant accounting policies and other explanatory notes thereon, derived from the audited Ind AS financial statements for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 and restated in accordance with 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, see *“Restated Consolidated Financial Statements”*, *“Other Financial Information”* and *“Management’s Discussion and Analysis of Financial Condition and Results of Operations”* beginning on pages 325, 325 and 371 respectively.

Our Company’s Financial Year commences on April 1st and ends on March 31st of the next year. Accordingly, all references in this Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12 months period commencing on April 1st of the immediately preceding calendar year and ending on March 31st of that particular year.

Non-GAAP Measures

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 Company’s financial data. 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, 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. For risks relating to significant differences between Ind AS, Indian GAAP and other accounting principles, see Risk Factor No. 66 *"Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition."* On page 82 of this Prospectus.

Unless the context requires otherwise, any percentage amounts (excluding certain operational metrics), as set forth in *"Risk Factors"*, *"Our Business"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on pages 37, 232 and 371 respectively, and elsewhere in this Prospectus have been calculated on the basis of the Restated Consolidated Financial Statements.

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 have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Currency and Units of Presentation

All references to "Rupees" or "₹" or "INR" or "Rs." Are to Indian Rupee, the official currency of the Republic of India; "USD" or "US$" are to United States Dollar, the official currency of the United States, "SGD" are to Singapore Dollars, the official currency of Singapore, "PHP" are to Philippines Peso, the official currency of the Philippines, "Ringgit" / "RM" are to Malaysian Ringgit, the official currency of Malaysia, "GBP" / "£" / "Pound" are the British Pound, the official currency of United Kingdon, "TRY"/ "Turkish Lira" are the Turkish Lira, the official currency of the Republic of Turkey and "Euro" or "€" are to Euro, the official currency of the Eurozone. Except otherwise specified, our Company has presented certain numerical information in this Prospectus in "million" units. In this regard, please note: (a) One million is equal to 1,000,000/10 lakhs; and (b) 10 million is equal to 10,000,000/100 lakhs/ one crore (c) 1 billion is equal to 1,000,000,000/ 100 crore. Our Company has presented certain numerical information in this Prospectus in absolute number where the numbers have been too small to present in million unless as stated, otherwise, as applicable.

However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than million, such figures appear in this Prospectus in such denominations as provided in the respective sources.

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 percentage figures, have been rounded off to the second decimal.

Exchange Rates

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

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

(in ₹)

Currency*	As at		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
1 USD	83.37	82.2169	75.8071
1 SGD	61.78	61.82	55.77
1 PHP	1.48	1.51	1.45
1 RM	17.62	18.56	17.93
1 GBP	105.29	101.8728	99.5524
1 Euro	90.22	89.6076	84.6599
1 Turkish Lira	2.58	4.27	5.16

**Source: www.rbi.org.in, www.oanda.com, www.x-rates.com and www.fbil.org.in*

Note: Exchange rate is rounded off to two decimal points.

In case the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been considered.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Prospectus has been obtained or derived from publicly available information as well as various industry publications and sources. These publications typically state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable.

Certain information in the sections entitled "*Summary of the Offer Document*", "*Industry Overview*" and "*Our Business*" on pages 29, 196 and 232, respectively of this Red Herring Prospectus has been obtained from the CRISIL Report. The CRISIL Report is available on the website of our Company at https://www.diffusionengineers.com/investors-relation until the Bid / Issue Closing Date. The CRISIL Report has been exclusively commissioned and paid for by us in connection with the Issue. Further, CRISIL does not have any direct/indirect interest in or relationship with our Company or its Promoters, Directors, KMPs and SMPs.

The CRISIL Report is subject to the following disclaimer:

"*CRISIL Market Intelligence & Analytics, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any company covered in the Report. CRISIL especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of this Report. CRISIL Market Intelligence & Analytics operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this report are that of CRISIL Market Intelligence & Analytics and not of CRISIL's Ratings Division / CRISIL. No part of this Report may be published / reproduced in any form without CRISIL's prior written approval.*"

For further details in relation to risks involving the industry, see *"Risk Factor No. 51 -Certain sections of this Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Issue. There can be no assurance* *that such third-party statistical, financial and other industry information is either complete or accurate.*" on page 74 of this Prospectus.

The extent to which the market and industry data used 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.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors including those discussed in chapter titled *"Risk Factors"* on page 37 of this Prospectus. Accordingly, investment decisions should not be based solely on such information.

Certain data in relation to our Company used in this Red Herring Prospectus has been obtained or derived from the CRISIL Report which may differ in certain respects from our Restated Consolidated Financial Statements as a result of, inter alia, the methodologies used in compiling such data. Accordingly, investment decision should not be made based on such information.

In accordance with the SEBI ICDR Regulations, we have included in the chapter *"Basis for Issue Price"* on page 159, information pertaining to the peer company of our Company. Such information has been derived from publicly available data of the peer company. Accordingly, no investment decision should be made solely on the basis of such information. 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. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in *"Risk Factors"* beginning on page 37 of this Prospectus.

FORWARD LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "objective", "plan", "propose", "project", "will", "seek to", "strive to", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that may vary, some or all of which could cause actual results to differ materially from those contemplated by the relevant forward- looking statement. All statements in this Prospectus that are not statements of historical fact are '*forward – looking statements*'.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, changes in the incidence of any natural calamities and/or violence, regulations and taxes and changes in competition in the industries in which we operate.

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

1. Our Company is increasingly dependent on a domestic market for its sales and any a downturn in it could dent our market share
2. Our Company had negative cash flows during certain fiscal years in relation to our operating, investing and financing activities. Sustained negative cash flows in the future would adversely affect our results of operations and financial condition.
3. We operate from four Manufacturing Facilities all of which are located in Nagpur, Maharashtra and therefore, any localized social unrest, natural disaster or breakdown of services or any other natural disaster in and around, Nagpur, Maharashtra or any disruption in production at, or shutdown of, all our manufacturing units could have material adverse effect on our business and financial condition.
4. Our business is dependent on the performance of certain other industries. Economic cyclicality coupled with reduced demand in these other industries, in India or globally, could adversely affect our business, results of operations and financial condition.
5. Our proposed plans with respect to funding the capital expenditure requirements as per our Objects of the Issue is subject to the risk of unanticipated delays in obtaining approvals and implementation.
6. If there are delays in setting up the Proposed Facility or Proposed Expansion or if the costs of setting up and the possible time or cost overruns related to the Proposed Facilities or the purchase of plant and machinery for the Proposed Facilities are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.
7. Our business and profitability is substantially dependent on the availability and cost of our raw materials and any disruption to the timely and adequate supply or volatility in the prices of raw materials may adversely impact our business, results of operations, cash flows and financial condition
8. Our Company had made allotment of equity shares in the past which was allotted to more than 49 investors, which may have been in non-compliance with the Companies Act, 1956.

9. Conflict of interest may arise as some of our Group Companies and Subsidiaries are authorized to carry on similar line of business as our Company which may lead to real or potential conflicts of interest for our Promoters or Directors.
10. Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.

For details regarding factors that could cause the actual results to differ from the expectations, please refer to the chapter titled *"Risk Factors"*, *"Our Business"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on pages 37, 232 and 371 respectively of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure 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 as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Our Company, our Directors, BRLM or any of their respective affiliates or advisors do not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments from the date of this Prospectus until the date of Allotment.

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Issue. 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 "Risk Factors", "Objects of the Issue", "Our Business", "Industry Overview", "Financial Information", "Outstanding Litigation and Material Developments", "Main Provisions of Articles of Association" and "Issue Procedure" beginning on pages 37, 159, 232, 196, 325, 402, 473 and 446, respectively.

Summary of our primary business of our Company

We are engaged in the business of manufacturing welding consumable, wear plates and wear parts and heavy engineering machinery for core industries and provide special and customized repairs and reconditioning services of heavy machinery and equipment. We are also involved in trading of anti-wear powders and welding and cutting machinery.

Our revenue from operation for the fiscals 2024, 2023 and 2022 is ₹2,781.44 million, ₹2,548.76 million and ₹2,045.89 million. For further details of our product wise revenue bifurcation please see *"Our Business - Portfolio" below on page no. 236 of this Prospectus.*

For details of our geography-wise domestic revenue from operations on restated standalone financial statement please see "*Our Business – Overview" on page no.232 of this Prospectus.*

Summary of the Industry in which our Company operates

Welding consumables market in India is estimated at around Rs 51 billion in fiscal 2024, with fiscal 2027 projections around Rs 64-66 billion. Due to the rise in demand for improved infrastructure, a lot of investment is happening in infrastructure development, such as construction of roads, bridges, ports and airports. The wear plates market in India is estimated at around Rs 22 billion in fiscal 2024 and is expected to grow at a CAGR of 8-9% to ~Rs 28 billion in fiscal 2027. Wear plates are essential part of the industries such as power plants, steel mills, quarrying, cement etc., as these plates protect key components of these industry. As India continues to undergo rapid industrialization, each of these industries would grow and require wear plates to protect their equipment and machinery. India's heavy engineering capital goods industry is estimated to be Rs 3,100-3,200 billion as of fiscal 2024, and is projected to clock a CAGR of 7.5-8.5% over fiscals 2023-27 to reach Rs 3,800-3,900 billion. Heavy electrical engineering, earthmoving, construction and mining machinery, and process plant equipment are the largest segments of the industry. Amongst the players considered for the industry between fiscal 2021-2024, our Company recorded third highest CAGR of 21% for operating income, second highest CAGR of 38% for profit after tax and third highest CAGR of 33% for EBITDA. *(Source: CRISIL Report)*

Promoters of our Company

The Promoters of our Company are Prashant Garg, Dr. Nitin Garg and Chitra Garg.

Issue Size

Issue of Equity Shares (1)	9,405,000*# Equity Shares of face value ₹10/- each, aggregating up to ₹1,579.64*# million
of which:	
Employee Reservation Portion (2)	50,000*# Equity Shares of face value ₹10/- each, aggregating up to ₹8.00*# million
Net Issue	93,55,000*# Equity Shares of face value ₹10/- each, aggregating up to ₹ 1,571.64*# million

**Subject to finalization of Basis of Allotment*

#A discount of ₹ 8.00 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion

(1) *The Issue has been authorized by resolution of our Board passed at its meeting held on December 13, 2023 and has been authorized by a special resolution of our Shareholders at the extra-ordinary general meeting held on December 20, 2023*

(2) *The Employee Reservation Portion shall not exceed 5% of our post-Issue paid-up Equity Share capital. In the event of undersubscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹ 500,000), shall be added to the Net Issue. For further details of the Issue, see "The Issue" and "Issue Structure" on pages 90 and 441, respectively.*

Objects of the Issue

The proceeds of the Issue are to be utilized for financing the following objects:

(₹ in million)

Particulars	Amount
Funding capital expenditure requirements towards Proposed Expansion of our existing manufacturing facility at Unit IV	713.80
Setting up of a new manufacturing facility at Hingna, Sonegaon District, Nagpur, Maharashtra (**"Proposed Facility"**)	303.85
Funding working capital requirements of the Company	220.00
General Corporate Purposes	184.30
Net Proceeds	**1,421.95**

For details, see "*Objects of the Issue*" beginning on page 159.

Aggregate pre-Issue shareholding of the Promoters and Promoter Group members

Category	Number of Equity Shares held	Percentage of pre-Issue paid up capital (%)
Promoters		
Prashant Garg	10,379,551	37.04
Prashant Garg jointly with Neelu Garg	65,548	0.23
Dr. Nitin Garg	6,876,254	24.54
Dr. Nitin Garg jointly with Dr. Renuka Garg	526,967	1.88
Chitra Garg	6,130,971	21.88
Total (A)	**23,979,291**	**85.58**
Promoter Group		
Neelu Garg	22,400	0.08
N. K. Garg HUF	2,085,279	7.44
Total (B)	**2,107,679**	**7.52**
Total (A+B)	**26,086,970**	**93.10**

Summary of Selected Financial Information

A summary of the select financial information of our Company, as at and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 derived from the Restated Consolidated Financial Statements are as follows:

(₹ in million)

Particulars	As at and for the year ended March 31,		
	2024	**2023**	**2022**
Share Capital	280.21	37.37	37.37
Net Worth	1,907.04	1,419.97	1,206.48
Total Income	2,855.61	2,586.72	2,087.47
Restated Profit/ (loss) after tax	308.03	221.45	170.46
Basic EPS (in ₹)	10.94	7.91	6.08
Diluted EPS (in ₹)	10.94	7.91	6.08
Net asset value per Equity Share (in ₹)	68.06	50.67	43.06
Total borrowings	344.35	480.92	245.95

The Restated Consolidated Financial Statements for the Fiscals 2024, 2023 and 2022 referred to above are presented under *"Financial Information"* on page 325 of this Prospectus.

Auditor Qualifications which have not been given effect to in the Restated Consolidated Financial Statements

There are no qualifications by our Statutory Auditors in their reports which have not been given effect to in the Restated Consolidated Financial Statements.

Outstanding Litigations

A summary of outstanding legal proceedings involving our Company, Directors and Promoters as on the date of this Prospectus is provided below:

Name of the Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in million)*
Company						
By the Company	5	1	-	-	-	0.75
Against the Company	-	1	11	-	-	130.45
Directors						
By the Directors	-	-	-	-	-	-
Against the Directors	-	-	-	-	-	-
Promoters						
By the Promoters	-	-	-	-	-	-
Against the Promoters	-	2	7	-	-	3.19
Subsidiaries						
By the Subsidiaries	-	-	-	-	-	-

Against the Subsidiaries	-	-	-	-	-	-
Group Companies						
Outstanding litigation which may have a material impact on our Company	NA					

**To the extent quantifiable*

The amounts mentioned above may be subject to additional interest/ penalties being levied by the concerned authorities which have not been included above as not being ascertainable as on date of this Prospectus. For further details regarding these legal proceedings, please refer to chapter titled *"Outstanding Litigations and Material Developments"* on page 402 of this Prospectus.

Risk Factors

Specific attention of Investors is invited to the section "*Risk Factors*" on page 37. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

Contingent Liabilities

As per the Restated Consolidated Financial Statements, no contingent liability has been recognized and reported for the financial year ended March 31, 2024.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Contingent Liabilities not provided for :			
Claims against the company not acknowledge as Debt a. Excise duty liability disputed	-	1.66	1.66

For further details, please see the *"Note 37 – Contingent Liabilities"* under the chapter *"Restated Consolidated Financial Statements"* on page 357 of this Prospectus.

Related Party Transactions

A summary of related party transactions as per the requirements under Ind AS 24 – Related Party Disclosures read with the SEBI ICDR Regulations entered into by our Company with related parties as at and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 derived from our Restated Consolidated Financial Statements is as follows:

Relation	Nature of Transaction	Name of the related Party	Year ended 31, March 2024		Year ended 31 March 2023		Year ended 31 March 2022	
			₹ in million	% of revenue from operations	₹ in million	% of revenue from operations	₹ in million	% of revenue from operations
Associate of Subsidiary	Sales	M/s Mecdiff SD. BHD.	12.58	0.45%	8.94	0.35%	7.67	0.37%
	Debit / (Credit) due		0.08	0.00%	0.11	0.00%	-0.19	-0.01%

Relation	Nature of Transaction	Name of the related Party	Year ended 31, March 2024		Year ended 31 March 2023		Year ended 31 March 2022	
			₹ in million	% of revenue from operations	₹ in million	% of revenue from operations	₹ in million	% of revenue from operations
	to exchange fluctuation							
	Trade receivables		7.78	0.28%	1.51	0.06%	0.23	0.01%
Joint Venture	Total Credit Notes Towards Commission	LSN Diffusion Ltd	-	-	0.57	0.02%	0.43	0.02%
	Purchase		42.96	1.54%	35.37	1.39%	27.59	1.35%
	Reimbursement		0.09	0.00%	0.21	0.01%	-	-
	Debit / (Credit) due to exchange fluctuation		0.28	0.01%	-0.28	-0.01%	0.26	0.01%
	Trade Payables		-	-	1.48	0.06%	1.65	0.08%
Common Management	Purchase	Benvira Forward Algorithms Private Limited	-	-	-	-	-	-
	Reimbursement		0.01	0.00%	0.29	0.01%	0.35	0.02%
	Trade Payables		-	-	-	-	0.16	0.01%
	Trade Receivables		6.28	0.23%	-	-	-	-
Key Management Personnel	Reimbursement	Mr. Prashant Garg	2.05	0.07%	2.59	0.38%	2.32	0.34%
	Commission		-	-	2.50	0.10%	4.00	0.20%
	Dividend		6.98	0.25%	4.37	0.17%	5.83	0.28%
	Remuneration		20.00	0.72%	16.65	0.65%	13.05	0.64%
	Rent		0.73	0.03%	0.70	0.03%	0.64	0.03%
	Reimbursement Payable		-	-	0.16	0.01%	-	-
	Acquisition of land		13.33	0.48%	-	-	-	-
	Sitting fees		0.41	0.01%	0.14	0.01%	0.14	0.01%
	Commission	Mr. Ajay Jain	0.35	0.01%	0.35	0.01%	0.35	0.02%
	Dividend		0.01	0.00%	-	-	-	-
	Sitting fees		0.40	0.01%	0.14	0.01%	0.14	0.01%
	Dividend	Ms. Anita Vijaykar	0.00	0.00	0.00	0.00%	-	-
	Commission		0.35	0.01%	0.35	0.01%	0.35	0.02%
	Sitting fees		0.40	0.01%	0.14	0.01%	0.14	0.01%
	Commission	Mr. Anil Triyunyat	0.35	0.01%	-	-	-	-
	Sitting fees		0.11	0.00%	-	-	-	-

Relation	Nature of Transaction	Name of the related Party	Year ended 31, March 2024		Year ended 31 March 2023		Year ended 31 March 2022	
			₹ in million	% of revenue from operations	₹ in million	% of revenue from operations	₹ in million	% of revenue from operations
	Commission	Mrs. Renuka Garg	0.35	0.01%	0.35	0.01%	0.35	0.02%
	Dividend		0.36	0.01%	0.23	0.01%	0.30	0.01%
	Sitting fees		0.36	0.01%	0.14	0.01%	0.14	0.01%
	Salary	Mr Abhishek Mehta	1.82	0.07%	-	-	-	-
	Dividend		0.00	0.00%	-	-	-	-
	Salary	Ms Chanchal Jaiswal	0.60	0.02%	-	-	-	-
Relatives of Key Managerial Personnel	Dividend	Ajay Jain (H.U.F)	0.05	0.00%	0.03	0.00%	0.04	0.00%
	Commission	Mrs. Neelu Garg	-	-	3.50	0.14%	2.00	0.10%
	Dividend		0.03	0.00%	0.03	0.00%	0.04	0.00%
	Remuneration		5.52	0.20%	1.92	0.08%	1.64	0.08%
	Dividend	Mr. Nitin N Garg	4.67	0.17%	2.95	0.12%	4.23	0.21%
	Acquisition of land		13.33	0.48%	-	-	-	-
	Dividend	Mrs Daksha Jain	0.00	0.00%	0.00	0.00%	-	-
	Dividend	Mrs. Chitra N Garg	4.08	0.15%	2.55	0.10%	3.40	0.17%
	Rent		3.03	0.11%	2.67	0.10%	2.47	0.12%
	Acquisition of land		13.33	0.48%	-	-	-	-
	Sitting fees		0.11	0.00%	-	-	-	-
	Commission		0.35	0.01%	-	-	-	-
	Dividend	N. K. Garg HUF	1.42	0.05%	0.89	0.04%	1.19	0.06%
	Rent		0.22	0.01%	0.19	0.01%	0.19	0.01%
	Professional Fees	Mrs. Disha Mehta	1.50	0.05%	-	-	-	-
	Total		**166.64**	**5.59%**	**91.74**	**3.90%**	**81.10**	**4.21%**

*For details regarding acquisition of land from our Promoters, please see '*Our Promoter and Promoter Group - Interest in property, land, construction of building and supply of machinery, etc.*' on page 316 of this Prospectus.

For details of related party transactions of our Company, as per the requirements under Ind AS 24 'Related Party Disclosures' for the Financial Years ended March 31, 2022, March 31, 2023 and March 31, 2024, please see *"Note 38 – Related Party Transactions"* under the chapter *"Restated Consolidated Financial Statements"* on page 357 of this Prospectus.

Financing Arrangements

There have been no financing arrangements whereby the Promoters, members of the Promoter Group, our Directors 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 the Red Herring Prospectus and this Prospectus.

Weighted Average Price

The weighted average price at which Equity Shares were acquired by our Promoters in the last one year is set forth in the table below:

Name of Promoters	No. of Equity Shares acquired in last one year from the date of this Prospectus	Weighted Average Price (in ₹)#
Prashant Garg	10,379,551	2.24
Chitra Garg	6,130,971	3.78
Prashant Garg jointly with Neelu Garg	65,548	Nil*
Dr. Nitin Garg	6,876,254	Nil*
Dr. Nitin Garg jointly with Dr. Renuka Garg	526,967	Nil*

** Bonus shares issue as on 29th November 2023*

 # As certified by M/s. PGS & Associates, Chartered Accountants, our Statutory Auditors, by way of their certificate dated September 16, 2024.

For the purpose of calculating weighted average price, the price per equity shares is multiplied with number of equity shares acquired, thereafter, this acquisition cost is adjusted for any sale of equity shares at cost price (on a first-in-first-out basis) and corporate actions such as bonus, split etc. These results are added and divided by the total number of shares held.

Weighted average cost of all Equity Shares transacted in the three years, eighteen months and one year preceding the date of this Prospectus

Weighted average cost of acquisition of all Equity Shares transacted in the three years, eighteen months and one year immediately preceding the date of this Prospectus:

Particulars	Weighted Average Cost of Acquisition (in ₹)*	Range of acquisition price: Lowest Price – Highest Price (in ₹)	Cap Price (₹168) is 'x' times the Weighted Average Cost of Acquisition
Last one year preceding the date of this Prospectus	12.68	0-762	13.25
Last 18 months preceding the date of this Prospectus	12.68	0-762	13.25
Last three year preceding the date of this Prospectus	12.68	0-762	13.25

** As certified by M/s. PGS & Associates, Chartered Accountants, our Statutory Auditors, by way of their certificate dated September 16, 2024.*

Average Cost of Acquisition

The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Name of Promoters	No. of Equity Shares held	Average cost of acquisition (in ₹)
Prashant Garg	10,379,551	10.11

Name of Promoters	No. of Equity Shares held	Average cost of acquisition (in ₹)
Chitra Garg	6,130,971	6.55
Dr. Nitin Garg	6,876,254	3.31
Prashant Garg jointly with Neelu Garg	65,548	18.48
Dr. Nitin Garg jointly with Dr. Renuka Garg	526,967	6.07

** As certified by M/s. PGS & Associates, Chartered Accountants, our Statutory Auditors, by way of their certificate dated September 16, 2024.*

As on the date of this Prospectus, there are no Shareholders holding any special rights in our Company, including the right to nominate Director(s) on our Board.

Except as disclosed in the chapter titled "*Capital Structure - Price at which Equity Shares were acquired in the last three years, by our Promoter, members of the Promoter Group*" on page 155 of this Prospectus, Promoters and members of the Promoter group have not acquired in the last three years preceding the date of filing the Prospectus.

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

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

Except as disclosed in the chapter titled *"Capital Structure"* beginning on page 107 of this Prospectus, our Company has not issued Equity Shares for consideration other than cash during the last one year immediately preceding the date of filing the Prospectus.

Split/ consolidation of Equity Shares in the last one year

Our Company has not split/ consolidated equity shares during the last one year immediately preceding the date of filing the Prospectus.

Exemption from complying with any provisions of securities laws

As on the date of this Prospectus, our Company has not obtained any exemptions from complying with any provisions of securities laws from SEBI.

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 theEquity Shares. The risks and uncertainties described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any 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 price of ourEquity Shares could decline, and investors may lose all or part of their investment. To the extent the COVID-19 pandemicadversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Restated Consolidated Financial Statements" beginning on pages 232, 196, 149 and 325, respectively, of this Prospectus, as well as the other financial and statistical and other information containedin 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 Issue including the merits and risks involved.

Prospective investors should consult their tax, financial and legal counsel about the particular consequences of investing in the Issue. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the factthat our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

This Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. For further information,see "Forward-Looking Statements" on page 27 of this Prospectus.

Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Consolidated Financial Statements included in this Prospectus. For further information, see "Restated Consolidated Financial Statements" beginning on page 325 of this Prospectus. Unless the context otherwise requires, in this section, references to "we", "us", "our", "our Company", or "the Company" refers to Diffusion Engineers Limited.

Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Assessment of the welding consumable, wear plates and heavy engineering market in India" dated September 2024 (the "CRISIL Report") prepared and issued by CRISIL Limited commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

RISKS RELATING TO OUR BUSINESS

1. Our Company is increasingly dependent on a domestic market for its sales and any a downturn in it could dent our market share.

We have historically derived majority of our revenues from sales in the domestic market. Our Company is majorly dependent on domestic sales for their product sales while our products are also sold in Asian, APEC, Africa, Middles east, Europe and US regions. Thus, the sales of our Company are widely dispersed throughout the domestic and any failure to maintain such dispersion may impact sales, revenues, and consequently, the financial performance of the Company. Details for the revenue generated from domestic market and through export as per Restated Standalone Financial Statements are as follow:

Particulars	Domestic sales		Export Sales	
	Total Revenue (₹ in million)	**% of revenue from operations**	**Total Revenue (₹ in million)**	**% of revenue from operations**
Fiscal 2024	2,307.76	89.75	263.49	10.25
Fiscal 2023	2,146.40	87.94	294.34	12.06
Fiscal 2022	1,795.84	91.74	161.74	8.26

For further information of countries that we export our products, see "*Our Business – Procurement of Raw Materials*" on page 260 of this Prospectus.

Further, any failure in expanding our geographical presence in the international market will lead to loss of opportunity in earning higher revenue thereby effect our growth and profit in the Company. 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 further have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects 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 and if we export our products to such countries, any revocation or alteration of those 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.

2. Our Company had negative cash flows during certain fiscal years in relation to our operating, investing and financing activities. Sustained negative cash flows in the future would adversely affect our results of operations and financial condition.

We have in the three preceding Fiscal Years, and may in future, experience negative cash flows from Operating, investing and financing activities. The following table summarizes our cash flows data for the periods indicated:

(₹ in million)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cash Flow from Operating Activities	390.97	(47.37)	110.51
Cash Flow from Investing Activities	(385.61)	(133.73)	(152.02)
Cash Flow from Financing Activities	27.47	195.78	25.33

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. We experienced negative cash flows in the following periods as indicated in the table below:

We cannot assure you that our net cash flows will be positive in the future. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, prospects, results of operations and financial condition may be materially and adversely affected. For further details, see "*Restated Consolidated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 325 and 371, respectively.

3. We operate from four Manufacturing Facilities all of which are located in Nagpur, Maharashtra and therefore, any localized social unrest, natural disaster or breakdown of services or any other natural disaster in and around, Nagpur, Maharashtra or any disruption in production at, or shutdown of, all our manufacturing units could have material adverse effect on our business and financial condition.

We operate from four manufacturing facilities all of which are located in Nagpur, Maharashtra. We manufacture coated welding electrodes at Unit I; manufacture flux cored wires, wear plates through fabrication and mild steel scrap (by-product) at Unit II; manufacture anti wear consumables at Unit III; and manufacture wear plates, flux cored wires and heavy engineering for core industries, fabrication, and machining at Unit IV. For further information in relation to details on our Units, please see "*Our Business – Our Units*" on 257 of this Prospectus. Further, our Company intends to set-up a new manufacturing facility at Nagpur, Maharashtra ("Proposed Facility") to manufacture special purpose electrodes and wire strips which are utilized in the production of flux cored wire and undertake expansion at our existing Unit IV, Nagpur, Maharashtra ("Proposed Expansion") to manufacture heavy engineering as well as welding consumables and wear parts. Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the state government or state or local governments in this region could adversely affect manufacturing operations, and require a modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations. Our business is dependent upon our ability to manage our manufacturing activities, which are subject to various operating risks, including political instability, productivity of our workforce, compliance with regulatory requirements, difficulties with production costs and yields, product quality and those beyond our control, such as the breakdown and failure of equipment or industrial accidents, disruption in electrical power or water resources, severe weather conditions, natural disasters and an outbreak of pandemic such as COVID-19. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Moreover, some of our products are permitted to be manufactured only at such facility which has received specific approvals, and any shutdown of such facility will result in us being unable to manufacture a product for the duration of such shutdown. Our inability to effectively respond to any shutdown or slowdown and rectify any disruption, in a timely manner and at an acceptable cost, could lead to delays in the entire production cycle and an inability to comply with our customers' requirements and lead to loss of revenue to us and our customers.

Although we have not experienced any strikes or labor unrest in the past three years, we cannot assure you that we will not experience disruptions in work in the future due to disputes or other problems with our work force. Any labor unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations, which in turn could adversely affect our business, results of operations, financial condition and cash flows.

4. Our business is dependent on the performance of certain other industries. Economic cyclicality coupled with reduced demand in these other industries, in India or globally, could adversely affect our business, results of operations and financial condition.

We are dependent on the following five industries for deriving a major portion of our revenues. The following table sets forth revenues generated from the sale of products on restated standalone financial statement from each of the other industries for both of our businesses, for the periods indicated.

(₹ in million)

End-use segment	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	(₹)	**(%)**	**(₹)**	**(%)**	**(₹)**	**(%)**
Cement	942.59	36.66%	747.09	30.61%	719.13	36.74%
Engineering	357.93	13.92%	262.36	10.75%	145.50	7.43%
Power	188.02	7.31%	325.82	13.35%	291.76	14.90%
Steel	332.12	12.92%	291.19	11.93%	213.35	10.90%
Sugar	114.97	4.47%	104.00	4.26%	91.60	4.68%
Total	**1,935.62**	**75.28%**	**1,730.46**	**70.90%**	**1,461.34**	**74.65%**

The remainder of our revenues are generated from sales to other sectors and also sales through our distributors, both in domestic and overseas market, which may include sales to the aforesaid sectors.

Any slowdown in the above industries or any loss of business from, or any significant reduction in the volume of business with, customers operating in these other industries, if not replaced, could materially and adversely affect our business, financial condition and results of operations. As a result of our dependence on customers in these other industries, we are exposed to fluctuations in the performance of these other industries globally, and in India. These other industries are sensitive to factors such as consumer demand, consumer confidence, disposable income levels and employment levels. Moreover, they are also affected by other factors such as national and international trade, changes in government policies, environmental, health and safety regulations, commodity prices and oil prices. A decline in our customers' business performance may also lead to a corresponding decrease in demand for our products and services. The volume and timing of sales to our customers may vary due to variation in demand for our customers products, their attempts to manage their inventory, design changes, changes in their product mix, manufacturing and growth strategy, and macroeconomic factors affecting the economy in general, and our customers in particular. Although there have been instances of variation in demand of our products (as provided in the table above) the same has not had a material adverse effect on the overall business, results of operations, cash flows and financial condition of our Company. A sustained decline in the demand for products produced by our key customers could prompt them to cut their production volumes, directly affecting the demand from customers for our products. Unfavourable industry conditions can also result in an increase in commercial disputes and other risks of supply disruption.

5. Our proposed plans with respect to funding the capital expenditure requirements as per our Objects of the Issue is subject to the risk of unanticipated delays in obtaining approvals and implementation.

We intend to use part of the Net Proceeds to fund the capital expenditure requirements for the Proposed Expansion of our Unit IV and Proposed Facility to be setup at Nagpur, Maharashtra. As disclosed in the chapter titled "*Objects of the Issue*" on page 159, out of the Net Proceeds, our Company proposes to utilise ₹713.80 million and ₹ 303.85 million to fund the capital expenditure requirement for Proposed Expansion and Proposed Facility, respectively. Such Proposed Expansion would be undertaken on the land situated at Khasra Nos. 36, 38/1, 38/2, 38/3, Khapri (Uma), Nagpur- 441 501, Maharashtra, India which is owned and occupied by our Company. Further, the Proposed Facility is intended to be setup at Plot No. 33-B/1/1 & 33-B/1/1 Part, MIDC Hingna, Nagpur, Maharashtra. Our efforts to implement the Proposed Expansion and Proposed Facility are subject to significant risks and uncertainties, including our inability to obtain the required permits, licenses and approvals from relevant government authorities such as approval for the factory plan, consent to establish, consent to operate, license under Factories Act, building completion certificate, fire-no objection certificate, in a timely manner or at all. There can be no assurance that we will be able to complete the aforementioned expansion or commissioning of our plants and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

6. ***If there are delays in setting up the Proposed Facility or Proposed Expansion or if the costs of setting up and the possible time or cost overruns related to the Proposed Facilities or the purchase of plant and machinery for the Proposed Facilities are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.***

We are in the process of setting up new manufacturing facility to be located at Hingna, Sonegaon District, Nagpur, Maharashtra ("Proposed Facility"). In addition to our existing projects, we are in the process of undertaking Proposed Expansion of our existing manufacturing facility at Unit IV located at Khapri (Uma), Nagpur, Maharashtra ("Proposed Expansion"), all of which would require substantial capital expenditure. Out of the Net Proceeds, ₹ 713.80 million and ₹ 303.85 million are proposed to be utilized towards funding capital expenditure requirements at Proposed Expansion and setting up of the Proposed Facility, respectively. The existing installed capacity at our Unit IV comprises of 9,000 MTA for the manufacture of wear plates and heavy engineering fabrication and 444 MTA for the manufacture of flux cored wire. The actual production and utilization for wear plates and heavy engineering and flux cored wire at Unit IV for Fiscal 2024 is 7,573 MTA and 20 MTA and capacity is utilized 84.14% and 4.50%, respectively. Post completion of the Proposed Expansion, the installed capacity at Unit IV (including the existing plant capacity) will stand increased to 4920 MTA for wear plates, 1080 MTA for Flux Cored Wires and 12000 MTA for heavy engineering and fabrication. For further information in relation to the Proposed Expansion and Proposed Facility, please see "*Objects of the Issue – Funding capital expenditure requirements towards expansion of our existing manufacturing facility at Khapri (Uma), Nagpur, Maharashtra*" and "*Objects of the Issue – Setting up of a new manufacturing facility located at Hingna, Sonegaon District, Nagpur, Maharashtra*" on page 161 and 168, respectively of this Prospectus. Both the Proposed Facility and Proposed Expansion are expected to commence by November, 2025. The completion of the setting up of the Proposed Facility and Proposed Expansion is dependent on our ability to arrange finance through Net Proceeds or otherwise, the performance of external agencies which are responsible for inter alia construction of buildings, installation and commissioning of plant and machinery and supply and testing of equipment. We cannot assure you that we will be able to arrange for such finance on time. Further, we cannot assure you that the performance of external agencies will meet the required specifications or performance parameters. We may not be able to identify suitable replacement external agencies in a timely manner. If the performance of these agencies is inadequate in terms of the requirements, this may result in incremental cost and time overruns. However, if we decide to raise additional funds through the issuance of equity or equity-linked instruments, the interests of our shareholders may be diluted. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business prospects could be adversely affected.

Some of the plant, machinery and equipment to be purchased may be required to be shipped to the Proposed Facility or Proposed Expansion, as the case may be, from other regions. Any delay in the transportation of such assets or damage to the assets acquired due to inter alia defaults by transportation agencies may further result in cost and time overruns in the commissioning of the Proposed Facility and/or Proposed Expansion.

The estimated costs for setting up the Proposed Facility and Proposed Expansion are based on the certificates both dated September 19, 2024 given by M/s. Sandeep Mashru & Co, Independent Chartered Engineers, are management's estimates and current conditions which are subject to change, owing to prospective changes in external circumstances, costs and other financial conditions. There could be delays in setting up the Proposed Expansion and Proposed Facility as a result of, amongst other things, requirement of obtaining approvals from statutory or regulatory authorities, contractors' or external agencies' failure to perform, exchange rate fluctuations, unforeseen engineering problems, disputes with workers, increase in input costs of construction materials and labour costs, incremental preoperative expenses, taxes and duties, interest and finance charges, cost escalation and/ or force majeure events (including the continuing impact of the COVID-19 pandemic, geopolitical tensions, etc.), any of which could give rise to cost overruns and delays in our implementation schedules.

If the actual capital expenditures on setting up the Proposed Facility and Proposed Expansion significantly exceed our budgets, we may not be able to achieve the intended economic benefits of the Proposed Facility or Proposed Expansion, as applicable, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion or commissioning of our plants and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

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

7. Our business and profitability is substantially dependent on the availability and cost of our raw materials and any disruption to the timely and adequate supply or volatility in the prices of raw materials may adversely impact our business, results of operations, cash flows and financial condition

We are engaged in the manufacturing of complex and high precision engineered components, requiring raw materials having certain technical specifications such as the relevant alloys (like tungsten, chromium, cobalt, molybdenum, niobium, vanadium) having the requisite. The tables below provide cost of raw materials and components consumed as a percentage of our standalone revenue from operations in the years/ periods indicated:

Category of Expenditure	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in million)	**% of revenue from operations**	**Amount (₹ in million)**	**% of revenue from operations**	**Amount (₹ in million)**	**% of revenue from operations**
Domestic Cost of Raw Materials and Components Consumed	1,342.38	52.21%	1,328.56	54.43%	1,122.45	57.34%
Overseas Cost of Raw Materials and Components Consumed	160.54	6.24%	254.23	10.42%	179.59	9.17%
Total Cost of Raw Materials and Components consumed	**1,502.92**	**58.45%**	**1,582.79**	**64.85%**	**1,302.04**	**66.51%**

We may experience volatility in the cost or availability of raw materials. A major portion of raw materials comprises of metals including steel, nickel, etc. The prices of such raw materials are volatile and are dependent on a number of factors, such as, their availability, fluctuations in domestic and international demand and supply, international production and capacity, fluctuation in the volume of metal imports, transportation costs, protective trade measures and various social and political factors, in the economies in which the metal producers sell their products. Although we have not faced significant disruptions in the procurement of raw materials in the past, COVID-19 pandemic temporarily affected our ability to source raw materials from certain vendors who were unable to transport raw materials to us. Further, we depend on external suppliers for all the raw materials required and typically purchase raw materials on a purchase order basis and place such orders with them in advance based on our requirements. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. Our purchases of raw materials are concentrated from a few suppliers with our top 10 suppliers contributing of our revenue from operations on restated standalone financial statement are as follows:

Fiscal	Amount (₹ in million)	% of revenue from operations
2024	869.11	31.25
2023	719.94	29.50
2022	603.03	30.80

There can thus, be no assurance that in future we will be able to procure the required quantities and quality of raw materials commensurate with our requirements. While our arrangements with customers allow us to seek an upward revision in pricing, our cash flows may still be adversely affected because of any gap in time between the date of procurement of those primary raw materials and date on which we can reset the prices for our customers, to account for the increase in the prices of such raw materials. Our ability to pass through costs or otherwise mitigate these cost increases could adversely affect our business. From time to time, commodity prices may also fall rapidly. If this happens, suppliers may withdraw capacity from the market until prices improve which may cause periodic supply interruptions. If these supply interruptions occur, our costs for procuring our raw materials could increase, and our business, cash flows and results of operations could be adversely affected.

Any increase in prices of raw materials could have an impact on our working capital as we would require additional funds to procure the necessary steel at the higher prices. As a result, we may be required to allocate a larger portion of our working capital towards purchasing raw materials to maintain our production levels. This increased allocation towards purchase can potentially strain our working capital availability.

8. Our Company had made allotment of equity shares in the past which was allotted to more than 49 investors, which may have been in non-compliance with the Companies Act, 1956.

On August 11, 2008, our Company made an allotment of 30,850 Equity Shares bearing face value of ₹10/- each at a price of ₹40/- each as sweat equity where the number of allottees was 57 exceeded 49 persons. In terms of the first proviso to Section 67(3) of the Companies Act, 1956, an offer or invitation for subscription of shares made to more than 49 persons was deemed to be a public offering, requiring compliance with the relevant provisions governing public offerings under applicable law including the Companies Act, 1956, the SEBI Act, the SCRA and the respective rules, regulations, guidelines and circulars issued thereunder.

Post notification of the Companies Act, 2013, SEBI, by way of its circular CIR/CFD/DIL3/18/2015, dated December 31, 2015 ("**2015 Circular**") and circular CFD/DIL3/CIR/P/2016/53, dated May 3, 2016 ("**2016 Circular**", and such circulars, together with the press release dated November 30, 2015, the "**SEBI Circulars**"), provided that companies involved in issuance of securities to more than 49 persons but up to 200 persons in a financial year prior to April 2014, may avoid penal action subject to fulfilment of certain conditions. Such conditions include, inter alia, an option to surrender such securities being provided to the current holders of such securities at an exit price, which is not less than the subscription amount along with interest at the rate of 15% p.a. (net of amounts already paid to such allottees as interest, dividend or otherwise). It was clarified in a press release issued by SEBI on November 30, 2015, that the exit offer may be provided by the company itself or by the promoters or by other persons arranged by the company/ promoters.

Our Board, vide a resolution passed through circulation on February 16, 2024, accorded its approval to authorize our Promoter, Mrs. Chitra Garg, to provide an exit offer in accordance with the SEBI Circulars in the form of an invitation to offer to shareholders of our Company ("Exit Offer"). Of the 57 shareholders to whom the Equity Shares were allotted on August 11, 2008, only 7 Shareholders could be considered as Eligible Equity Shareholders ("**Eligible Equity Shareholders**") for participating in the exit offer on February 16, 2024 ("**Record Date**").

In accordance with the requirements of the SEBI Circulars, it was decided by the Board of Directors that the maximum exit price to be offered to the Eligible Equity Shareholders of our Company should be ₹ 40 per equity share along with 15% interest p.a. thereon till payment (net of amounts already paid as interest, dividend or otherwise). The exit offer was made to the Eligible Equity Shareholders on February 19, 2024 and the Company received responses from all the Eligible Equity Shareholders confirming their intention not to surrender their shares and to continue being a member of our Company. Madhav Kawade, Peer Reviewed Practicing Company Secretary through his certificate dated February 21, 2024, certified that the exit offer process was undertaken in compliance with the SEBI Circulars ("**Compliance Certificate**"). Our Company and our Promoter & Managing Director, Prashant Garg have filed adjudication application dated February 29, 2024 before the RoC for any deemed breach for the aforementioned allotment in Fiscal 2009 of the applicable threshold undertaken by our Company inadvertently. Our Company will abide by the order passed by the authority with respect to such non-compliance including the levy of any penalty thereunder. As per the provisions of section 629A of the erstwhile Companies Act, 1956 (corresponding section 450 of the Act), for the default in compliance with the requirements of this section 67(3) of the Companies Act, 1956 the Company may be liable to a penalty of up to ₹ 1.04 million and the officer(s) may be liable to a penalty of up to ₹ 0.05 million. The matter is pending before the relevant ROC, for further details, see "*Outstanding Litigation and Other Material Developments – Litigation involving our Company*" on page 402.

There can be no assurance that the concerned regulatory authority(ies) or court will not take any action or initiate proceedings against our Company, Promoter, Directors and other officers in respect of the abovementioned allotment in the future. Any such proceeding or action which may be initiated in the future may divert management time and attention and may subject us to further regulatory consequences (including penalty or action) which may have an adverse effect on our business, finance and results of operations.

9. Conflict of interest may arise as some of our Group Companies and Subsidiaries are authorized to carry on similar line of business as our Company which may lead to real or potential conflicts of interest for our Promoters or Directors

Our Subsidiaries namely, Diffusion Super Conditioning Services Private Limited, Nowelco Industries Private Limited and Diffusion Wear Solutions Philippines Inc and Group Companies namely Mecdiff Sdn Bhd and Benvira Forward Algorithms Private Limited are engaged in a business similar to ours. For instance, our subsidiary Nowelco Industries Private Limited is engaged in the business of manufacturing commodity-based electrodes. Therefore, there may be conflict of interest in allocating business opportunities between us, our Subsidiaries and our Group Company. We cannot assure you that there will not be any conflict of interest between our Company, our Subsidiaries and such Group Company in future. We have not entered into any non-compete agreements with such Subsidiaries and Group Company and there can be no assurance that such entities will not compete with our existing business or any future business that we might undertake or that we will be able to suitably resolve such a conflict without an adverse effect on our business and financial performance. While necessary procedures and practices may be adopted as permitted by law to address any instances of conflict of interest, if and when they may arise, we cannot assure you that these or other conflicts of interest will be resolved in an impartial manner.

10. Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.

We sell at our standard terms with payment due before dispatch and conduct our business on the basis of various milestone payments. A small percentage of our sales are to customers on an open credit basis, with standard payment terms of generally between 30 to 90 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit we extend to what is reasonable based on an evaluation of each customer's financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, while we maintain a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate.

The table set forth below sets forth our trade receivables and receivable turnover days in the periods indicated as well as bad debts written off and disputed trade receivables – which have significant increase in credit risk.

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in million)	**% of revenue from operations**	**Amount (₹ in million)**	**% of revenue from operations**	**Amount (₹ in million)**	**% of revenue from operations**
Trade Receivables	666.47	23.96%	701.35	27.11%	503.45	24.12%
Bad debts written off	9.56	0.34%	3.88	0.15%	1.39	0.06%
Disputed trade receivables which have significant increase in credit risk	7.02	0.25%	6.48	0.25%	5.55	0.26%

Any increase in our receivable turnover days will negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, results of operations and financial condition.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, and as a result could cause customers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. An increase in bad debts or in defaults by our customer, may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

11. There have been some instances of incorrect filings with the Registrar of Companies and other non-compliances under the Companies Act in the past which may attract penalties.

There have been certain discrepancies in relation to statutory filings required to be made by us and our subsidiary with the RoC under applicable laws, as well as certain other non-compliances incurred by us under the Companies Act which have been intimated to the RoC by way of filing adjudication applications, GNL-2 forms and raising of service tickets / requests on the MCA portal. The details of such discrepancies are provided below:

a) There have been errors in some of the returns of allotment filed by the Company with the RoC in the past. For instance, with regard to allotment dated September 04, 1989, the date of allotment has erroneously been stated in return of allotment (Form 2) as October 05, 1989. Further, with regard to allotment dated November 09, 2003, the date of allotment has erroneously been stated as December 01, 2003 instead of November 09, 2003. The Company has taken note of the said error through circular resolution on February 27, 2024 and a copy of the said resolution has been filed with the ROC in Form GNL-2.
b) Our Board at their meeting held on August 9, 2014 appointed Ajay Jain and Anita Vijayakar as Independent Directors of the Company for a period of 5 years and their appointment was approved by the shareholders at their Annual General Meeting held on September 22, 2014. However, due to an inadvertent error, the e-Form DIR-12 and the attachments thereto filed by the Company on November 12, 2014 mentioned the period of appointment as three (3) years instead of five (5) years. Our Company had filed an application dated November 24, 2023 before the Registrar of Companies, Maharashtra at Mumbai for rectification of the aforesaid e-Form DIR-12. The Registrar of Companies, Maharashtra at Mumbai has vide its letter dated December 22, 2023 marked the e-Form DIR-12 dated November 12, 2014 as defective and advised our Company to file the e-Form afresh with fee and additional fee, as applicable, after rectifying the defects or incompleteness therein within a period of thirty days from the date of this notice. Consequently, our Company has been in the

process of re-filing the e-Form DIR-12, however, it is facing technical issues in doing so and therefore, has raised a ticket on the MCA Portal to resolve the issue.

c) Our Company and our Managing Director, Prashant Garg have on February 29, 2024 voluntarily filed an application for adjudication vide e-Form GNL-1 before the RoC under section 454 of the Companies Act for default in filing Form 32 for regularizing the appointment of our Additional Director, Prashant Garg at the ensuing Annual General Meeting held on September 04, 2004. As per the provisions of section 172 of the Act, for the default in compliance with the requirements of this section 152, section 161 of the Act (Section 260 of the erstwhile Companies, Act, 1956). As per the provisions of the Act, for the default in compliance with the requirements of this section, the Company may be liable to a penalty of upto ₹0.84 million and the officer(s) may be liable to a penalty of upto ₹0.005 million. The matter is pending before the RoC.

d) The Company had defaulted in filing the Form BEN-2 with the RoC pertaining to Significant Beneficial Ownership (SBO) in respect of shares held by NK Garg HUF. Subsequently, pursuant to change in Significant Beneficial Owner (i.e. from Narendra Kumar Garg to Dr. Nitin Garg as Karta), Form BEN-2 has been filed by our Company with RoC on December 15, 2023 with a delay. Our Company and our Managing Director, Prashant Garg have on February 10, 2024 voluntarily filed an application for adjudication vide e-Form GNL-1 before the RoC under section 454 of the Companies Act for the delay in filing the Form BEN-2 with the RoC pursuant to change in Significant Beneficial Owner (i.e. from Narendra Kumar Garg to Dr. Nitin Garg as Karta of N. K. Garg HUF). As per the provisions of section 90(11) of the Act, 2013, for the default in compliance with the requirements of this section 90(4) of the Act the Company may be liable to a penalty of upto ₹0.50 million and the officer(s) may be liable to a penalty of upto ₹0.10 million. The matter is pending before the RoC.

e) Our Company and our Managing Director, Prashant Garg have on February 10, 2024 voluntarily filed applications for adjudication vide e-Form GNL-1 before the RoC under section 454 of the Companies Act for (i) the delay in filing MGT-14 for holding the 38th Annual General Meeting through video conferencing in accordance with applicable MCA Circulars and with regard to appointment of Prashant Garg as the Managing Director of our Company; (ii) the delay in filing MGT-14 for holding the 39th Annual General Meeting through video conferencing in accordance with applicable MCA Circulars (iii) the delay in filing MGT-14 for holding the 40th Annual General Meeting through video conferencing in accordance with applicable MCA Circulars; and on February 23, 2024 for delay in filing Form MGT-14 for issuance of sweat equity shares during the fiscal 2009. As per the provisions of section 117(2) of the Act, for the default in compliance with the requirements of this section 117 of the Companies Act, 2013 the Company may be liable to a penalty of upto ₹0.50 million and the officer(s) may be liable to a penalty of upto ₹0.24 million. The matters are pending before the RoC.

f) Our Company and our Managing Director, Prashant Garg have on February 29, 2024 voluntarily filed an adjudication application vide e-Form GNL-1 before the RoC for any deemed breach for the allotment of Equity Shares to more than 49 people in Fiscal 2009 undertaken by our Company inadvertently. For further details, please refer "*Risk Factor 8 – Our Company had made allotment of equity shares in the past which was allotted to more than 49 investors, which may have been in non-compliance with the Companies Act, 1956.*".

g) Our Company has not filed Form CHG-1 and CHG-4 with RoC with respect to a vehicle loan of ₹7.3 million taken in the year 2018 and repaid by 2022. Similarly, our Company has defaulted in filing Form 8 with RoC with respect to a vehicle loan of ₹1.3 million which was sanctioned to our Company in the year 2005.

h) Our Company has inadvertently failed to transfer unclaimed dividend of ₹ 0.01 million to Investor Education Protection Fund in September 2012 in accordance with Section 205C of the Companies Act, 1956. The said dividend was subsequently paid to the relevant Shareholders in March 2013.

i) Our Company has inadvertently recorded the transfer of 200 Equity Shares on February 05, 2019 which were in physical form which is not in compliance with the provisions of Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014. Subsequently, our Company has facilitated dematerialization of these shares.

j) The authorized share capital of our Subsidiary i.e. Diffusion Super Conditioning Services Private Limited has been wrongly recorded in its annual filings with the RoC as 5,000 shares divided into 5,000 Equity Shares of ₹100/- each instead 5,000 shares divided into 1,000 10% Cumulative Preference Shares of ₹100/- each and 4,000 Equity Shares of ₹100/- each without filing the shareholders' resolution passed for such reclassification of the share capital. The Subsidiary has, on June 1, 2024, belatedly filed e-Form SH-7 with respect to such reclassification.

k) The Company and the Managing Director, Prashant Garg have on May 24, 2024 voluntarily filed applications for adjudication vide e-Form GNL-1 before the ROC under section 454 of the Companies Act for delay in filing Form MGT-14 for the board resolution passed on December 26, 2023 with respect to the approval accorded by our Board for investing the funds of our Company in our subsidiary company. As per the provisions of section 117(2) of the Companies Act, 2013, for the default in compliance with the requirements of this section 117 of the Companies Act, 2013 the Company may be liable to a penalty of upto ₹0.02 million and the officer(s) may be liable to a penalty of upto ₹0.02 million. The matter is pending before the ROC.

We have intimated the discrepancies / errors mentioned under clauses (g) to (j) above to the RoC by way of our letter dated June 05, 2024. We have also obtained a certificate dated June 06, 2024 from P.M. Vala & Associates, Company Secretaries in relation to the said discrepancies / errors.

Although, no regulatory action, fine or penalty has been taken/ levied on our Company for the abovementioned purported default / non-compliance, however, it cannot be assured that no such regulatory action, fine or penalty will be taken/ levied in the future. Further, we cannot assure you that such non-compliances will not occur in the future. Therefore, if the concerned authorities impose monetary penalties on us or take certain punitive actions against our Company or its directors/ officers in relation to the same, our business and financial condition could be adversely affected.

12. We have been unable to locate certain of our historical corporate records.

Our Company was incorporated in 1982 and certain documents by us with the RoC and certain corporate records and documents, are not traceable. The secretarial records such as certain past allotments of Equity Shares made by our Company, share transfer forms, could not be traced as the relevant information was not available in the records maintained by our Company, at the MCA Portal maintained by the Ministry of Corporate Affairs and the RoC. Consequently, a complaint with regard to the missing documents was lodged before the Duty Officer Police Station, MIDC, Nagpur on November 11, 2023. These corporate records and form filings include but are not limited to: (i) Form 2 and other allotment related data in respect of allotment of equity shares of the Company during the year 1983, 1985, 1987, 1991, 1992, 1993, 1994, 1995, 1996, 1997; (ii) Form 23 filed in accordance with the provisions of section 192 of the Companies Act, 1956 from the year 1982 to the year 2005 except for forms filed with regard to resolutions passed on May 15, 1996, June 15, 2001, August 11, 2005, August 25, 2006; (iii) share transfer forms in relation to the share transfers undertaken by the shareholders of the Company prior to or during 1999 and also during the fiscals 2015 and 2016; (iv) annual returns of the Company from the year 1983 to the year 1988 and for the years 1991, 1993, 1996, 1997, 1998; (v) Form 32 filed with regard to changes in the Board of Directors of our Company as per the provisions of the Companies Act, 1956 from the year 1982 to the year 2005 except for forms filed with regard to change in the Board composition effective from November 11, 2003; (vi) The Equity Shares allotted by way of bonus issue on March 31, 1992 and November 17, 2008 were issued on selective basis to a limited number of shareholders. Our Company is unable to find the documents with regard to the waiver letters, if any issued by the shareholders to whom bonus shares were not allotted by the Company; (vii) Form 8 and Form 17 with regards to charges from the year 1982 to the year 2006. While we have conducted searches of our records at our Company's offices, on the MCA portal maintained by the Ministry of Corporate Affairs, we have not been able to trace the aforementioned corporate records. In this regard, we have also relied on the search report dated December 21, 2023 prepared by Madhav Kawade, an independent Peer Reviewed Practicing Company Secretary, which was prepared basis their physical search of the documents available with the Registrar of Companies and search of the information and records available on the portal of the Ministry of Corporate Affairs. Accordingly, we have included the details of the build-up of the share capital of the Company and the build-up of the Promoters' shareholding in our Company in this Prospectus, by placing reliance on other corporate records such the resolutions passed by the Board and Shareholders, where applicable and available, annual returns filed by our Company, to the extent available, the register of members and register of transfers, maintained by our Company and board resolutions noting share transfers, for our disclosures. Further, in addition to our corporate identity number U99999MH2000PLC124154 we have been allotted corporate identity numbers U99999MH1982PTC028644 and U00339KA1988PLC008957 in the past.

Our Company has sent an intimation to the RoC about the missing corporate records vide letter dated June 05, 2024 filed in e-Form GNL-2. The said intimation has been included as a material document for inspection in the section titled "Material Contracts and Documents for Inspection" starting on page 516 of this Prospectus

Further, with regard to 5,000 equity shares allotted on July 19, 2013 to Hernon Manufacturing Inc. by Diffusion Hernon Adhesive and Sealant Private Limited ("DHASPL"), DHASPL is unable to trace the Form FC-GPR filed by it with RBI. We have relied on other documents, including their annual filing for reporting their shareholding in this Prospectus. We cannot assure you that the abovementioned form was filed with RBI or that the same would be available in the future.

We cannot assure you that the filings were made in a timely manner or at all. We cannot assure you that, in future, we will not be subjected to any liability on account of non-availability of such records. Although no legal proceedings or regulatory actions have been initiated or pending against us in relation to such untraceable secretarial and other corporate records and documents, if we are subject to any such liability, it may have a material adverse effect on our reputation, financial condition, cash flows and results of operations. Further, there can be no assurance that there will be no such delays or non-compliances in the future and our Company will not be subject to adverse actions by the authorities.

13. We are dependent on a few customers for a portion of our revenues. Further we generally do not enter into long-term arrangements with our customers and any failure to continue our existing arrangements could adversely affect our business and results of operations.

Our sales are concentrated to a few customers for a portion of our revenues. The table below sets out sales from our top 5 customers and top 10 customers, including as a percentage of our revenue from operations on restated standalone financial statement, for the period mentioned below:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	(%)	Amount (₹ in million)	(%)	Amount (₹ in million)	(%)
Top 5 customers	535.07	20.81	494.38	20.26	459.09	23.45
Top 10 customers	818.65	29.43	755.36	30.95	651.35	33.27

Some of our customers are our related parties and have been disclosed in *"Note 38 – Related Party Transactions"* in the chapter titled *"Restated Consolidated Financial Statements"* on page 357 of this Prospectus. We generally do not have any long-term or exclusive arrangements with any of our customers and we cannot assure you that we will be able to sell the quantities we have historically supplied to such customers. In the event our competitors' products offer better margins to such customers or otherwise incentivize them, there can be no assurance that our customers will continue to place orders with us. Most of our transactions with our customers are typically on a purchase order basis without any commitment for a fixed volume of business. There can also be no assurance that our customers will place their orders with us on current or similar terms, or at all. Further, our customers could change their business practices or seek to modify the terms that we have customarily followed with them, including in relation to their payment terms. While we negotiate product prices and payment terms with our customers, in the event our customers alter their requirements, it could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows.

Although our Company maintains long-term relationship with our major customers, there can be no assurance that we will continue to maintain such relationship with our customers in the future. Further, in the event our customers experience any delays in placing orders with us, or if they prefer to buy the products of our competitors, it could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows. Our inability to maintain our existing customer network could have a negative impact on our sales, business growth prospects, result in slowdown of operation, financial conditions and cash flows. Further, the performance of our customers, their sales network and their ability to expand their businesses are crucial to the future growth of our business and directly affect our sales volume and profitability. If our relationships with our customers are affected, our profitability could be significantly affected.

14. We operate our Manufacturing Facilities that are held by us on leasehold basis. In the event we lose or are unable to renew such leasehold rights, our business, results of operations, financial condition, cash flows and prospects may be adversely affected.

We operate our Manufacturing Facilities from three units that are held by us on, on leasehold basis, details whereof are as under:

Particulars	Term	Licensor	Relationship with Licensor
Unit I: T-5 & T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440016 Maharashtra, India admeasuring 2,000.00 sq. mtrs	95 years from July 12, 1988 for T-6	MIDC	None
Unit II: N-78 & N-79, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440016 Maharashtra, India admeasuring 13,068.00 sq. mtrs.	95 years from July 01, 1992 for N-78 and from April 01, 1983 for N-79	MIDC	None
Unit III: T-12, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440016 Maharashtra, admeasuring 1,000.00 sq. mtrs	95 years from November 01, 1982	MIDC	None

These leases are subject to several conditions, some of which could be onerous and failure to adhere to or comply with such conditions which may lead to termination, revocation or suspension of the relevant lease. We cannot assure you that we will not default with the terms and conditions of the lease. For instance, we had sublet a portion of our Unit I and III to our subsidiaries without taking prior approval from MIDC which approval was received subsequently by us on March 19, 2024 for both the Units. We cannot assure you that we shall continue to be able to operate out of our existing premises or renew our existing licenses at favourable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements and we cannot assure that the new arrangements will be on commercially acceptable terms. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease agreements and there is no assurance that we will be able to identify suitable locations to re-locate our operations. Moreover, we may face significant increases in the lease rental rates. We cannot assure you that we may be able to do so in a timely manner. If we lose our rights on leased properties or are required to negotiate terms or to relocate our business operations or shut down our manufacturing facilities, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

15. Our business is working capital intensive. Any insufficient cash flows from our operations or inability to borrow to meet our working capital requirements, it may materially and adversely affect our business and results of operations.

Our business requires a significant amount of working capital primarily as a considerable amount of time passes between purchase of raw materials and sale of our finished products. As a result, we are required to maintain sufficient stock at all times in order to meet manufacturing requirements, thus increasing our storage and working capital requirements.

There could be situations where the total funds available may not be sufficient to fulfil our commitments, and hence we may need to incur additional indebtedness in the future, or utilize internal accruals to satisfy our working capital needs. Further, we require a substantial amount of capital and will continue to incur significant expenditure in maintaining and growing our existing infrastructure and any additional fund raise, equity or debt, could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of our shareholding.

Presently, we meet our working capital requirements through a mix of internal accruals and working capital facilities from banks and financial institutions. As on July 31, 2024, our sanctioned working capital facilities was ₹520.00 million for fund based limit and ₹180.00 million for non-fund based limit, aggregating to a total limit of ₹700.00 million. We intend to utilize ₹220.00 million (as part of the Net Proceeds) towards funding our incremental working capital requirements in Fiscal 2025. For further information on the use of Net Proceeds, see "*Objects of the Issue*" on page 159. For the Fiscals 2024, 2023 and 2022, our net working capital requirements stood at ₹ 927.85 million, ₹980.92 million and ₹ 603.86 million, respectively, details whereof are provided below:

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current Assets			
Inventories	474.02	472.49	415.36
Trade receivables	646.80	730.17	477.98
Cash and bank balances	25.53	18.65	19.88
Other financial assets and current assets	200.13	114.96	60.40
Total Current Assets (A)	**1,346.48**	**1,336.26**	**973.62**
Current Liabilities			
Trade payables	308.84	247.50	277.34
Other financial liabilities	18.64	11.38	15.10
Other current liabilities	91.15	96.46	77.32
Total Current Liabilities (B)	418.63	355.34	369.76
Net Working Capital Requirements (A-B)	**927.85**	**980.92**	**603.86**
Source of funds			
Short Term Borrowings	337.08	459.29	213.06
Internal accruals / Net worth	590.77	521.63	390.80

For further information on the working capital facilities currently availed of by us, see "*Financial Indebtedness*" on page 362 of this Prospectus. Further, our Promoter, Prashant Garg has provided personal guarantee to secure our existing borrowings which are continuing and are in force as on the date of Prospectus. For details, please see risk factor 25 – "*Our Promoter has extended personal guarantee in connection with some of our debt facilities granted to our company and one of our promoter group entity. There can be no assurance that such personal guarantee will be continued to be provided by our Promoters in future or can be called at any time, affecting the financial arrangements.*" on page 58 of this Prospectus. The actual amount of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, technological changes and additional market developments. Further, our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions and the effect of events such as credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations and financial condition could be materially and adversely affected.

16. We do not have long-term agreements with our suppliers for raw materials and an inability to procure the desired quality, quantity of our raw materials in a timely manner and at reasonable costs, or at all, may have a negative impact on our business, results of operations, financial condition and cash flows.

Our purchases of raw materials are concentrated from a few suppliers with our top 10 suppliers contributing of our revenue from operations on restated standalone financial statement are as follows:

Fiscals	Amount (₹ in million)	% of revenue from operations
2024	869.11	31.25
2023	719.94	29.50
2022	603.03	30.80

Further, some of our suppliers are our related parties and have been disclosed in *"Note 38 – Related Party Transactions"* in the chapter titled *"Restated Consolidated Financial Statements"* on page 357 of this Prospectus. Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. Our major raw materials include ferro alloys, metal powders, EQMS and alloyed wires, chemicals used in consumables manufacturing, steel plates, pipes, stainless steel, or strips of steel, nickel among many others. For further information, see *"Our Business – Procurement of Raw Materials"* on page 260 of this Prospectus. We depend on external suppliers for all the raw materials required and typically purchase raw materials on a purchase order basis and place such orders with them in advance based on our requirements. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. The absence of long-term supply contracts subjects us to risks such as price volatility caused by various factors viz. commodity market fluctuations, currency fluctuations, climatic and environmental conditions, transportation cost, changes in domestic as well as international government policies, regulatory changes and trade sanctions. Some part of our raw materials are also imported China, United Kingdom, Germany, Italy, Spain, Singapore Switzerland and Hong Kong constitute the countries from where major portion of the raw materials were imported during the last three Fiscal years. The details of raw material cost from domestic and overseas are as follows:

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in million)	**% of standalone revenue from operation**	**Amount (₹ in million)**	**% of standalone revenue from operation**	**Amount (₹ in million)**	**% of standalone revenue from operation**
Domestic cost of raw material	1,342.38	52.21%	1,328.56	54.43%	1,122.45	57.34%
Overseas cost of raw material	160.54	6.24%	254.23	10.42%	179.59	9.17%
Total	**1,502.92**	**58.45%**	**1,582.79**	**64.85%**	**1,302.04**	**66.51%**

As a result, we continue to remain susceptible to the risks arising out of foreign exchange rate fluctuations as well as import duties, which could result in a decline in our operating margins. If we cannot fully offset the increase in raw material prices with increase in the prices for our products, we will experience lower profit margins, which in turn may have a material adverse effect on our results of operations, financial condition and ultimately lead to a liquidity crunch. In the absence of such contracts, we are also exposed to the risk of unavailability of raw materials in desired quantities and qualities, in a timely manner.

There can be no assurance that in future we will be able to procure the required quantities and quality of raw materials commensurate with our requirements. There can also be no assurance that a particular supplier will continue to supply us with raw materials in the future. Any delay in supplying finished products to customers in accordance with the terms and conditions of the purchase orders, such as delivery within a specified time, as a result of delayed raw material supply, could result in the customer refusing to accept our products, which may have an adverse effect on our business and reputation. Further, we do not enter into agreements with suppliers which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner as well as the commitments to our customers, which may impact our business and profitability.

Further, as we generally receive purchase orders for the supply of our products to customers, we rely on historical trends and other indicators to purchase the required quantities of raw materials. We, therefore, run the risk of purchasing more raw materials than necessary, which could expose us to risks associated with prolonged storage of some of these materials, and materially affect our results of operations. In addition, if all or a significant number of our suppliers for any particular raw material are unable or unwilling to meet our requirements or if our estimates fall short of the demand, we could suffer shortages or significant cost increases. Continued supply disruptions could exert pressure on our costs, and we cannot assure you that all or part of any increased costs can be passed along to our customers in a timely manner or at all, which could negatively affect our business, overall profitability and financial performance.

17. Commercialization and market development of new products may take longer time than expected and / or may involve unforeseen business risks. Our inability to successfully diversify our product offerings of engineering business may adversely affect our growth and negatively impact our profitability.

We manufacture welding consumables, wear plates and heavy engineering equipment machinery for various industries and provide services of repair and reconditioning of industrial machinery and equipment. We are also involved in trading of thermal spray powder and welding equipment. We intend to expand our product portfolio by manufacturing new products solve customer’s wear and tear problems. Our products find their application in inter alia cement, power, steel, engineering and sugar industries. There can be no assurance that we will be able to successfully develop new products or that such new products will receive market acceptance or adapt our manufacturing processes to incorporate new technologies or address changing consumer trends or emerging industry standards. Our Company has not introduced any new products in the preceding three fiscals. Any rapid change in the expectations of our dealers and end customers in our business on account of changes in technology or introduction of new alternate products could adversely affect our business, results of operations and financial condition. Further, there can be no assurance that our newly developed products will achieve commercial success. Even if such products can be successfully commercialized, there is no guarantee that they will be accepted widely by the market. In addition, we cannot assure you that our existing or potential competitors will not develop products which are similar or superior to our products. It is often difficult to project the time frame for developing new products and the duration of market demand for these products, there is a substantial risk that we may have to abandon a potential product that is no longer commercially viable, even after we have invested significant resources in the research and development of such product. The amounts spent by our Company on research and development activities as a percentage of revenues as per Restated Standalone Financial Statement for the periods indicated are as under:

Category of Expenditure	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	Percentage of Revenue from operations (in %)	Amount (in ₹ million)	Percentage of Revenue from operations (in %)	Amount (in ₹ million)	Percentage of Revenue from operations (in %)
Research & Development	27.80	1.08%	27.00	1.11%	24.50	1.25%

Venturing into a new product line may require methods of operations and marketing and financial strategies, different from those currently employed in our Company. We cannot assure you that we will be able to successfully develop our new product lines. Further, we will be subject to the risks generally associated with new product introductions and applications, including unproven know-how, unreliable technology, inexperienced staff, and delays in product development and possible defects in products.

18. **The COVID-19 pandemic impacted our business and operations. Future similar events may have an adverse effect on our business prospects and financial performance.**

The outbreak of the COVID-19 pandemic impacted our business and operations in the following manner:

- our manufacturing operations were temporarily suspended from March 24, 2020 to April 30, 2020 which resulted in a decrease in our revenues and production, as detailed below:

Particulars	April 2020	April 2019	March 2020	March 2019
Revenues from operations (₹ in million)	17.14	126.97	44.31	226.46
Production (in metric ton)	9.09	534.19	255.01	708.98

- COVID-19 pandemic temporarily affected our ability to source raw materials from certain vendors who were unable to transport raw materials to us;
- Our inventory days, which represent the number of days our inventory is held, was 85 days in Fiscal 2021 due to impact of Covid-19 pandemic. However, from Fiscal 2022 onwards, our inventory days have shown a gradual increase i.e. 64 days, 66 days and 67 days for Fiscals 2022, 2023 and 2024, respectively;
- The Covid-19 pandemic had also impacted our trade payables days which was 130 days in Fiscal 2021. Subsequently, our trade payables days observed a reduction in days, decreasing from 72 days in Fiscal 2022 to 68 Days in Fiscal 2023 to 68 days for the Fiscal 2024.

There can be no assurance that we will be able to successfully achieve our expansion strategies in the event similar pandemic happens in India that led to restrictive measures or hamper overall economic condition.

19. If we fail to manage our growth effectively, we may be unable to execute our business plan or maintain high levels of service and satisfaction, and our business, results of operations, cash flows and financial condition could be adversely affected.

We have registered a CAGR of 9.52% growth in our revenue from operations and 14.08% in profitability, on a standalone basis, for the last three Fiscals and anticipate that we will continue to potentially grow, expand into new geographies and take advantage of market opportunities. Our standalone revenue from operations has grown from ₹878.37 million in Fiscal 2013 to ₹2,571.26 million in Fiscal 2024, registering a CAGR of 10.26% in last 11 years. Our PAT has grown from ₹73.22 million in Fiscal 2013 to ₹233.95 million in Fiscal 2024, registering a CAGR of 11.14% in last 11 years.

Our standalone revenue from operations have grown from ₹1,957.58 million in Fiscal 2022 to ₹2,571.26 million in Fiscal 2024, registering a CAGR of 9.52% in last three fiscal years. For the Fiscal 2024, Fiscal 2023 and Fiscal 2022, our PAT were ₹233.95 million, ₹168.16 million and ₹157.57 million, respectively. Our PAT have grown from ₹157.57 million in Fiscal 2022 to ₹233.95 million in Fiscal 2024, registering a CAGR of 14.08% in last three fiscal years.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy includes growing our product portfolio, strengthening our brand, deepening our penetration in existing markets and expanding our presence in select new territories and expanding our manufacturing capacities. For further information, see "*Our Business – Strategies*" on page 249 of this Prospectus.

Many factors may contribute to a decline in our revenue growth rates, including increased competition, slowing demand for our product from existing and new Customers, reduced market acceptance, inability to attract new customers, general economic conditions, government actions and policies, a failure by us to continue capitalizing on growth opportunities, changes in the regulatory framework, availability of an alternate to our product, non-availability of raw materials at competitive pricing, inability to procure raw materials from new sources and the maturation of our business, among others. We cannot assure you that our current and planned systems, policies, procedures and controls, personnel and third-party relationships will be adequate to support our future operations. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our business, financial condition, results of operations and prospects.

To manage operations and personnel growth, we will need to continue to grow and improve our operational, financial, and management controls and our reporting systems and procedures. We will require significant funds and allocation of valuable management resources to expand our technology and infrastructure without any assurances that our net revenue will increase. Failure to manage our anticipated growth and organizational changes in a manner that preserves the key aspects of our culture could reduce our ability to recruit and retain personnel, innovate, operate effectively, and execute on our business strategy, potentially adversely affecting our business, results of operations, cash flows and financial condition.

We will need to adapt and upgrade our controls, policies, procedures and overall operations to accommodate our growing operations and supporting personnel. Moreover, the speed with which our internal controls and procedures are implemented or adapted to changing regulatory or commercial requirements may be inadequate to ensure full and immediate compliance, leaving us vulnerable to inconsistencies and failures that may have a material adverse effect on our business, results of operations, cash flows and financial condition.

In addition, there may be delays in the anticipated timing of activities related to such growth initiatives, strategies and operating plans; increased difficulty and cost in implementing these efforts; and the incurrence of other unexpected costs associated with operating the business. Any of these factors could adversely impact our results of operations. If, for any reason, the benefits we realize are less than our estimates or the implementation of these growth initiatives, strategies and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions prove inaccurate, our results of operations may be materially adversely affected.

20. A significant portion of our domestic revenues are derived from the western and southern zone. For Fiscals2024, 2023 and 2022, these regions have contributed 37.29%, 51.19% and 50.72% of our standalone revenue from operations, respectively. Any adverse developments in this market could adversely affect our business.

Set forth below is certain information on our geography-wise domestic revenue from operations is on restated standalone financial statement for the periods indicated:

Zone	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
West	372.22	14.48	645.80	26.46	655.44	33.48
South	586.38	22.81	603.50	24.73	337.40	17.24
North	407.27	15.84	287.40	11.78	315.40	16.11
East	380.26	14.79	353.70	14.49	253.00	12.92
Central	561.63	21.84	256.00	10.49	234.60	11.98
Total	**2,307.76**	**89.75**	**2,146.40**	**87.94**	**1,795.84**	**91.74**

For further information, see "*Our Business - Overview*" on page 234 of this Prospectus. We have historically derived a significant portion of our revenue from sales in the western and southern zone. For the Fiscal 2024, 2023 and 2022 the revenue generated from sales in western and southern zone cumulatively represented 37.29%, 51.19% and 50.72% of our standalone revenue from operations. Accordingly, any materially adverse social, political or economic development, natural calamities, civil disruptions, regulatory developments or changes in the policies of the state or local government in this region could adversely affect our manufacturing and distribution activities, result in modification of our business strategy or require us to incur significant capital expenditure, whichwill in turn have a material adverse effect on our business, financial condition, results of operations, and cash flows. Further, our sales from this region may decline as a result of increased competition, regulatory action, pricing pressures, fluctuations in the demand for or supply of our products or services, or the outbreak of an infectious disease such as COVID-19. Our failure to effectively react to these situations or to successfully introduce new products or services in these markets could adversely affect our business, prospects, results of operations, financial condition, and cash flows. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

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

The success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise. Our ability to maintain our profitability depends on our ability to optimize the product mix to support high-margin products and products with consistent long-term demand and the demand and supply balance of our products in the principal and target markets. In particular, the level of our capacity utilization can impact our operating results. Capacity utilization is also affected by our product mix and the demand and supply balance.

Our overall capacity utilization for (i) Unit I is 700 MTA for Welding Electrodes; (ii) Unit II is 2,220 MTA for Flux Cored wires and Wear Plates, Wear Parts, Fabrication and Machining is 3,204 MTA; (iii) Unit III is 810 MTA for Anti Wear Consumables and (iv) Unit IV is 444 MTA for Flux Cored wires and Wear Plates, Wear Parts, Fabrication and Machining is 9,000 MTA. For further information, see "*Our Business - Capacity and Capacity Utilization*" on page 258 of this Prospectus.

As regards the heavy engineering equipment, there has been an overall increase in production capacity resulting in decrease in utilization from 103.30% in Fiscal 2022 to 78.89% in Fiscal 2023 in has decreased due to an increase in capex. As regards flux cored wire, cold repair compounds, wear plates and wear parts, there has been a nominal growth in the production and utilization whereas in case of Special Purpose Electrodes, there has been decrease in level of production as well as utilization from 638.16 MTA and 91.17% in Fiscal 2022 to 532.65 MTA and 76.09% in Fiscal 2023, respectively as our Company has focused on production of high-value items, resulting in higher revenue from operations from ₹371.82 million in Fiscal 2022 to ₹529.53 million in Fiscal

2023. The overall capacity utilization has decreased due to an increase in capex. Further, anti-wear consumable products (i.e., coatings for abrasion and corrosion resistances) are manufactured in Unit III which are specialized items developed in-house, specifically designed to address unique wear and tear issues in industrial equipment. These products complement our existing product range and are used in situations where standard wear-resistant products are ineffective. Consequently, the production capacity and utilization rate of products manufactured from Unit III is low. These ratios are not indicative of future capacity utilization rates, which are dependent on various factors, including demand for our products, availability of raw materials, our ability to manage our inventory and improve operational efficiency. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short-term, could materially and adversely impact our business, growth prospects and future financial performance.

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at our manufacturing facility, the availability of raw materials, industry/ market conditions, as well as by the product requirements of, and procurement practice followed by, our distributors. In the event we face prolonged disruptions at our facilities including due to interruptions in the supply of water, electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. Our proposed expansion plans are based on demand forecasts that are subject to various assumptions including product trends in the industry and management estimates that are based on prevailing economic conditions. Adequate utilization of our expanded capacities is therefore subject to various factors beyond our control and in case of oversupply in the industry or lack of demand, we may not be able to utilize our expanded capacities efficiently. The success of any capacity expansion and expected return on investment on capital invested is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise and utilize the expanded capacities as anticipated. Please also see "Risk Factor no. 6 - *If there are delays in setting up the Proposed Facility or Proposed Expansion or if the costs of setting up and the possible time or cost overruns related to the Proposed Facilities or the purchase of plant and machinery for the Proposed Facilities are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.*" on page 41 of this Prospectus.

22. We intend to utilize a portion of the Net Proceeds for funding our capital expenditure requirements. We are yet to place orders for such capital expenditure machinery.

We intend to utilize a portion of the Net Proceeds for funding a new manufacturing facility located at Hingna, Sonegaon District, Nagpur (Proposed Facility) and for funding capital expenditure requirements towards expansion of our existing manufacturing facility (Unit IV) at Khapri (Uma), Nagpur, Maharashtra (Proposed Expansion). Accordingly, orders worth ₹ 301.41 million, which constitute 100% of the total estimated costs of the machinery and equipment in relation to setting up the Proposed Facility and Proposed Expansion are yet to be placed. There can be no assurance that we will be able to place orders for such plant and machinery, in a timely manner or at all. We have not entered into any definitive agreements to utilize the Net Proceeds for these objects of the Issue and have relied on the quotations received from third parties for estimation of the cost. While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. Additionally, in the event of any delay in placement of such orders, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. For further details, please see "*Objects of the Issue – Estimated Cost*" on page 163 and 169 of this Prospectus.

The objects of the Issue have not been appraised by any bank or financial institution, and our funding requirement is based on current conditions, internal estimates, estimates received from the third-party agencies and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Such internal estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, results of operations, financial condition 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 Issue 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 Issue, 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 utilization 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 RBI Act 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.

23. We require several approvals, licenses, registrations and permits for our business and are required to comply with certain rules, regulations and conditions to operate our business and failure to obtain, retain or renew such approvals and licenses in a timely manner or to comply with the requisite rules, regulations and conditions may adversely affect our operations.

Our operations are subject to government and statutory regulations, and we are required to obtain and maintain several permits, consents and regulations and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business. For details of approvals relating to our business and operations including those that have expired or are pending for renewal, please see "*Government and Other Approvals*" on page 325.

Several of these approvals are granted for a limited duration. While we have obtained the necessary and material approvals, from the relevant authorities, there have been 8 instances in the last 10 years where we may not have obtained or applied the requisite approvals applicable to us. For instance, while we have made applications to Maharashtra Pollution Control Board ("MPCB") - with a delay on the below mentioned occasions, we did not have the necessary consents to operate under the pollution control laws in respect of our Unit I for the period April 01, 2019 to October 31, 2019; Unit III for the period December 01, 2013 to August 25, 2014, December 01, 2015 to February 22, 2016 and December 01, 2021 to February 17, 2022; Unit II for the period October 1, 2015 to September 12, 2017 and October 1, 2019 to November 1, 2020; and Unit IV for the period March 01, 2021 to June 13, 2021 and Fiscal 2024 till July 26, 2024. We have subsequently received renewals for consent to operate from time to time under the pollution control laws with respect to the above periods. In past, our production capacity has been in excess of the capacities, granted to us by MPCB under Consent to Operate ("CTO") for Unit I for welding electrodes for Fiscals 2021, 2022, 2023 and 2024; Unit II for flux cored wires for Fiscals 2022, 2023 and 2024; and Unit IV for manufacturing Heavy engineering for Fiscals 2021, 2022, 2023 and 2024. Therefore, we have been in contravention of the Air Act, Water Act, and the Hazardous Waste Management Rules for operating our Manufacturing Facility over and above the authorized capacity as per the CTO granted by MPCB. While no further actions have been taken in relation to such violations mentioned above, we may, in the future, be subjected to regulatory actions for any violations including closure of our unit, imposition of penalties and other penal actions against our Company and key personnel, which may have a negative impact on our business, reputation, results of operations and cash flows. We also need to apply for renewal, from time to time, of some such approvals, licenses, registrations and permits, which expire or seek fresh approvals, as and when required, in the ordinary course of our business. While we generally apply for the renewal of approvals in a timely manner, we cannot assure that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected. During the financial reporting period, there have been no instances where our application for seeking approval or renewal, as applicable, have been rejected by the relevant authority. There can be no assurance that the relevant authority will issue an approval or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could adversely affect our related operations. Further, under such circumstances, the relevant authorities may initiate penal action against us, restrain our operations, impose fines/ penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all.

The approvals required by us are subject to numerous conditions including inter alia compliance with provisions of environmental laws, conditions for treatment and disposal of waste, adherence to emission standards, submission of reports, filing of timely applications for renewal prior to expiry of existing licenses, etc. We cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations or growth prospects.

24. None of our Directors do not have any prior experience of being a director in any other listed company in India.

Our current Board comprises of six directors which includes Chairman and Managing Director, three non-executive independent directors and two non-executive non-independent directors. We are not a publicly listed company and have not historically been subject to increased scrutiny by shareholders, regulators and the public at large that is associated with being a listed company. None of our board of directors do have any prior experience of being a director in any other listed company in India. While our Board members are qualified and have relevant experience in their respective field, not having any prior experience as being a director in any other listed company in India may present some potential challenges to our Company in effectively meeting with good corporate governance norms and practices. Additionally, having lack of such experience amongst the board of directors may impact our Company's credibility and reputation among the investors and other stakeholders. For further details, please see chapter titled "*Our Management*" on page no. 411 of this Prospectus.

25. Our Promoter has extended personal guarantee in connection with some of our debt facilities granted to our company and one of our promoter group entity. There can be no assurance that such personal guarantee will be continued to be provided by our Promoters in future or can be called at any time, affecting the financial arrangements.

Our Promoter, Prashant Garg has provided personal guarantee to secure our following existing borrowings which are continuing as on the date of this Prospectus.

(₹ in million)

Name of the Lender	Nature of facility	Amount Sanctioned	Amount guaranteed	Date	Amount outstanding as on July 31, 2024	Financial Implications

HDFC Bank	Cash Credit and Bank Guarantee	350.00	350.00	April 10, 2018	134.90	Personally liable to the extent of guaranteed amount
Yes Bank	Bank Guarantee and Letter of Credit	50.00	50.00	January 18, 2013	35.98	Personally liable to the extent of guaranteed amount
DBS Bank	Overdraft/Cash Credit, Working Capital and Bank Guarantee	150.00	150.00	July 28, 2021	120.96	Personally liable to the extent of guaranteed amount
ICICI Bank	Cash Credit and Bank Guarantee	100.00	100.00	June 27, 2022	76.25	Personally liable to the extent of guaranteed amount
Shinhan Bank	Working Capital Demand Loan	50.00	50.00	July 19, 2024	50.00	Personally liable to the extent of guaranteed amount

Additionally, our Promoters, Mr. Prashant Garg and Dr. Nitin Garg have provided guarantee for securing borrowings availed by one of our promoter group entity namely, CENOS Health Care Private Limited from HDFC Bank Limited details whereof are as follows:

(₹ in million)

Name of Promoter	Date	Nature of facility	Amount Sanctioned	Amount guaranteed	Amount outstanding as on August 21, 2024	Financial implications on our Promoters	Obligation on our Company
Prashant Garg	June 26, 2023	Term loan facility including therein Overdraft Facility	480.00	20.00	5.00	Personally liable to the extent of guaranteed amount	Nil
Dr. Nitin Garg	June 26, 2023			480.00			

Our Promoter, Mr. Prashant Garg have provided guarantee for securing borrowings availed by one of our subsidiary entity namely, Nowelco Industries Private Limited from ICICI Bank Limited details whereof are as follows:

(₹ in million)

Name of Promoter	Date	Nature of facility	Amount Sanctioned	Amount guaranteed	Amount outstanding as on July 31, 2024	Financial implications on our Promoters	Obligation on our Company

Prashant Garg	May 31, 2024	Overdraft/ Cash Credit and Bank Guarantee	20.00	20.00	6.81	Personally liable to the extent of guaranteed amount	Nil

In the event any of default under any of the aforesaid facilities, there is a risk that the relevant lender for such facilities may invoke our Promoters' guarantee(s) or require additional guarantees or collateral to be provided or may enforce its rights against our Promoters. If we are unable to procure alternative guarantees or additional securities satisfactory to the lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. In addition, our Promoters may be required to liquidate their respective shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company. Accordingly, our business, the financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters in connection with our Company's borrowings.

26. The shortage or non-availability of power may adversely affect our business, result of operations, financial conditions and cash flows.

We require substantial power for our manufacturing facilities. The following tables set forth below our power expenses in the years/ periods indicated:

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in million)	**Percentage of Revenue from Operations (%)**	**Amount (₹ in million)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ in million)**	**Percentage of Revenue from Operations (%)**
Power Expenses	61.07	2.20	52.03	2.01	41.96	2.01

We have our manufacturing facility at Nagpur Industrial Area, Hingna, Nagpur, Maharashtra which depends on the delivery of an adequate and uninterrupted supply of electrical power. We have solar power supply for our Unit II which is located at N-78, N-79 Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440016 Maharashtra measuring 13,068.00 sq. mtrs. We rely upon diesel generator sets for certain units to ensure continuity of operations in case of power outage. There have been no major instances of power failure in the last three years. For further details, see "*Our Business – Our Units*" on page 257 of this Prospectus. There can be no assurance that electricity supplied to our existing manufacturing facility will be sufficient to meet our requirements or that we will be able to procure adequate and uninterrupted power supply in the future at a reasonable cost. If the per unit cost of electricity is increased by the state electricity board our power cost will increase. Any changes in government policies or local power and water shortages could adversely affect our production facility and ultimately our operations or financial condition may be adversely affected. A prolonged suspension in production could materially and adversely affect our business, financial condition, results of operations or cash flows.

27. The Issue Price, market capitalization to total turnover and price to earnings ratio based on the Issue Price of our Company, may not be indicative of the market price of the Equity Shares on listing or thereafter.

The Issue Price, market capitalization to total turnover and price to earnings ratio based on the Issue Price of our Company, may not be indicative of the market value of the Equity Shares on listing or thereafter.

Our total turnover and restated profit after tax for the financial year ended March 31, 2024 was ₹2,855.61 million and ₹308.03 million respectively, and our price to earnings for the Financial Year ending March 31, 2024 multiple is 15.35 times at the upper end of the Price Band. Our market capitalization to total turnover for Financial Year ending March 31, 2024 multiple is 2.20 times at the upper end of the Price Band. The table below provides details of our price to earnings ratio and market value to total turnover:

Particulars	**Price to Earnings Ratio**	**Market Value to Total Turnover**
Financial year ended March 31, 2024	15.35	2.20

The Issue Price of our Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through the book-building process prescribed under the SEBI ICDR Regulations, and certain quantitative and qualitative factors as set out in the section titled "*Basis for Issue Price*" beginning on page 180 and the Issue Price, multiples and ratios may not be indicative of the market price of the Equity Shares on listing or thereafter. Prior to the Issue, there has been no public market for our Equity Shares, and active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotations do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Accordingly, any valuation exercise undertaken for the purposes of the Issue by our Company, in consultation with the BRLM, would not be based on a benchmark with our industry peers. The relevant financial parameters based on which the Price Band would be determined, shall be disclosed in the advertisement that would be issued for publication of the Price Band. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

28. We may not be able to adequately protect or continue to use our intellectual property. In addition, the use of our brands or similar trade names by third parties could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows.

We currently sell our products in India through a network of distributors, who further distribute our products to the end-use customers. We sell our products under various brand labels including but not limited to "DIFFUSION", "DIFFCOR", "CORODUR" and "SOP". For further information, see "*Government and* Other *Approvals – Intellectual Property Rights*" on page 411 of the Prospectus. We have registered certain trademarks in India and may apply for further registrations in the future. The registration of intellectual property including trademarks is a time-consuming process and there can be no assurance that any registration applications we may pursue will be successful and that such registration will be granted to us. If we fail to register the appropriate intellectual property, or our efforts to protect relevant intellectual property prove to be inadequate, the value attached to our brand and proprietary property could deteriorate, which could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows. In particular, the use of "Diffusion" or similar trade names by third parties may result in confusion among our customers and we are exposed to the risk that entities in India and elsewhere could pass off their products as our products, including spurious or imitation or look-alike products. For instance, 'Diffusion Welding Supplies Limited' in Nairobi, Kenya and 'Diffusion Wear Solutions Limited' in Uganda are associated with us as our distributors who are otherwise unrelated to our Promoters, Promoter Group and our Company. Our Company has not entered into any agreement with these distributors for allowing them to use the name 'Diffusion'. Any imitation or spurious products or any negative publicity about such entities may not only result in loss of sales but also adversely affect the reputation of our brand and consequently our future sales and results of operations.

29. Our operations are labour intensive and our manufacturing operations may be subject to unionization, work stoppages or increased labour costs, which could adversely affect our business and results of operations.

Our manufacturing activities are labour intensive and expose us to the risk of various labour related issues. Whilst we have not faced any strike by our workforce, we cannot assure you that we will not be subject to work stoppages, strikes, lockouts or other types of conflicts with our employees or contract workers in the future. The success of our operations depends on availability of labour and maintaining a good relationship with our workforce. As on March 31, 2024, March 31, 2023 and March 31, 2022, the average strength of employees we engaged during the fiscal are 607, 581 and 557 employees across all our Units respectively and the attrition rate across our Company for Fiscals 2024, 2023 and 2022 was 8.73%, 11.53% and 10.05% respectively. For further details, please refer to the sub-heading titled 'Employees' in the chapter titled '*Our Business*' on page 232 of this Prospectus. As of July 31, 2024, we employed about 180 workmen and 474 employees across our manufacturing units and during the past three years our workforce has been as under:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Workmen	180	187	197
Employees	460	411	367
Total	**640**	**598**	**564**

We do not have any trade union registered under the Trade Unions Act, 1926. In the past three years, we have not experienced any labour dispute except the ongoing dispute with labour, details whereof have been disclosed in chapter titled *"Outstanding Litigations and Material Developments"* on page 402. We do not have any formal policy for redressal of labour disputes. Shortage of skilled/ unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have in the past incurred additional expenses to provide training to our employees for their skill development and in the future may have to incur additional expenses to train and retain skilled labour. We are also subject to a number of stringent labour laws that protect the interests of workers, including legislation that imposes financial obligations on employers upon retrenchment. There can be no assurance that we will not experience labour unrest in the future, which may delay or disrupt our operations. In the event of any prolonged delay or disruption of our business, results of operations and financial condition could be materially and adversely affected.

Our Country India has stringent 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, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

30. Our operations are subject to environmental and health and safety laws and other government regulations which could result in increased liabilities and increased capital expenditures.

We are subject to environmental, health and safety and other regulatory and/ or statutory requirements in the jurisdictions in which we operate. Our manufacturing processes and products are subject to stringent quality, environmental and occupational health and safety standards. We are subject to various national, state, municipal and local laws and regulations concerning environmental protection in India. In India, these include the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970, Payment of Wages Act, 1936, etc. A failure by us or our contractors to comply with the relevant labour regulations, could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. We may be involved in future litigation or other proceedings or be held liable in any litigation or proceedings including in relation to labour, safety, health and environmental matters, the costs of which may be significant. Environmental laws and regulations in India are becoming more stringent and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment and emissions management.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. A risk of environmental liability is inherent in our manufacturing activities, and we are subject to numerous environmental laws and regulations in the countries in which we operate. We have availed public liability industrial risks insurance policy, we cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations, financial condition, or cash flows. In addition, we could incur substantial costs, our products could be restricted from entering certain markets and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.

31. While certain of our trademarks used by us for our business are registered, any inability to protect our intellectual property from third party infringement may adversely affect our business and prospects.

As of the date of this Prospectus, our Company has 60 registered trademarks in India under the Trade Marks Act, 1999. These include registrations in respect of certain of our key brands and logos, including, but not limited to "*DIFFUSION*", "*DIFFCOR*", "*CORODUR*" and "*SOP*". For further information, see "*Government and Other Approvals – Intellectual Property Rights*" on page 414. Our brand can be adversely affected by negative publicity or any claims concerning other businesses using the name "DIFFUSION" or similar trade names, whether or not they are part of the Promoter Group and such usage can be very deceptive in nature and can have a negative impact on our brand. While we own various trademarks, we cannot guarantee that a third party may not use such names and we may have no control over such usage. As on the date of filing of this Prospectus the Company has not made any royalty payments to any other parties nor are there any conflicts, to the best of our knowledge with respect to our brand. In the absence of trademark and copyright registrations, we may not be able to initiate an infringement action against any third party who may be infringing our trademarks. With respect to our trademarks that have been applied for and/or objected or opposed, we cannot assure you that we will be successful in such a challenge nor can we assure that eventually our trademark and copyright applications will be approved, which in turn could result in monetary loss or prevent us from selling our products under these trademarks and copyright. As a result, we may not be able to prevent infringement of our trademarks and copyright and a passing off action may not provide sufficient protection until such time that this registration is granted.

We may not be able to safeguard our intellectual property from infringement or passing off, both domestically and internationally, since we have operations in several countries and may not be able to respond to infringement or passing off activity occurring without our knowledge in a timely manner, or at all. Any improper use or infringement by any party may damage our business prospects, reputation and goodwill and reduce our revenue. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. There has not been any instances unauthorized use of our intellectual property by third parties in the last 3 years. We cannot assure you that any instances will not arise in future. In addition, any adverse outcome in relation to any future proceedings, may have an adverse effect on our business, results of operations, financial condition and cash flows. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may infringe on our rights, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

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

In the ordinary course of our business, we enter into and will continue to enter into transactions with related parties. For further information on our related party transactions, please see "*Note 38 – Related Party Transactions*" in the chapter titled "*Restated Consolidated Financial Statements*" on page 357. While that all such related party transactions that we have entered into are conducted on an arms' length basis in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions and all related party transactions that we may enter into post-listing, will be subject to board or shareholder approval, as necessary under the Companies Act and the Listing Regulations, in the interest of our Company and its minority shareholders and in compliance with the Listing Regulations, we cannot assure you these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects

33. As on date of this Prospectus, 2,424 Equity Shares are held in physical form by some of our Public Shareholders. Further, 16,416 Equity Shares issued to such Shareholders pursuant to the issue of bonus shares on November 29, 2023, have not been credited to their respective demat account.

As on the date of this Prospectus, our Company has four public Shareholders who hold 2,424 Equity Shares in physical form, which have not been dematerialized. Further, 16,416 Equity Shares issued to four Shareholders pursuant to the bonus issuance made on November 29, 2023 ("**Bonus Issue**") have not been credited to their respective demat accounts on account of non-dematerialization of the Equity Shares held by them prior to the Bonus Issue. While our Company has made attempts to facilitate dematerialization of shareholding through repeated reminders to the Shareholders via emails sent at regular intervals, we cannot assure you that such Equity Shares will be dematerialized by these public Shareholders. In respect of these public Shareholders, we had credited the equity shares resultant from the Bonus Issue of Equity Shares to a separate demat account. We cannot confirm when and if these Equity Shares will be dematerialized by the aforementioned public Shareholders.

34. There are outstanding litigations involving our Company, Promoters and our Directors. Any adverse outcome in any of these proceedings may adversely affect our reputation, results of operations and financial condition.

Our Company, our Promoters and some of our Directors are involved in certain outstanding legal proceedings, which are pending at different levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding litigation involving our Company, Promoters and Directors as on the date of this Prospectus have been provided below in accordance with the materiality policy adopted by our Board.

As of the date of this Prospectus, there are no outstanding litigation proceedings involving our Group Companies, the outcome of which could have a material impact on our Company. For details, please see *"Outstanding Litigation and Material Developments"* on page 402.

Name of the Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoter	Material civil litigations	Aggregate amount involved (₹ in Million)
Company						

Name of the Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoter	Material civil litigations	Aggregate amount involved (₹ in Million)
By the Company	5	1	-	-	-	0.75
Against the Company	-	1	11	-	-	130.45
Directors						
By the Directors	-	-	-	-	-	-
Against the Directors	-	-	-	-	-	-
Promoters						
By the Promoters	-	-	-	-	-	-
Against the Promoters	-	2	7	-	-	3.19
Subsidiaries						
By the Subsidiaries	-	-	-	-	-	-
Against the Subsidiaries	-	-	-	-	-	-

There can be no assurance that the aforesaid proceedings will be decided in favour of our Company, Promoters or our Directors, as the case may be. In addition, we cannot assure you that no additional liability will arise out of these proceedings that could divert our management’s time and attention and consume financial resources. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. Any adverse order or direction in these cases by the concerned authorities even though not quantifiable, may have an adverse effect on our business, results of operations and financial condition. If any new proceedings are initiated or new developments arise, such as change in law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

Furthermore, if we get involved in disputes with third-parties in the course of our operations such as suppliers, customers and sub- contractors, the same may lead to legal or other proceedings and may result in substantial costs, delays in our development and operation schedule, and the diversion of resources and management’s attention, regardless of the outcome. We may also have disagreements with regulatory authorities in the course of our operations, which may subject us to legal proceedings and unfavourable decisions that may result in penalties or delay or disrupt our development and operations.

35. Our Company gives heavy equipment on a lease basis business model.

Our Company's business model includes leasing of heavy equipment, which constituted a miniscule portion of our revenue from operations for the three Fiscals which is provided below:

(₹ in million)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from leasing of Heavy Equipment	21.00	20.82	17.32

While this approach offers various advantages, including revenue diversification and enhanced asset utilization, potential risks associated with this business model should be carefully evaluated overtime. As part of the leasing process, we also undertake the obligation to undertake maintenance and repairs of the equipment leased. Unforeseen maintenance costs or a rapid decline in the residual value of the equipment could impact the profitability of the leasing business. Our inability to perform our obligations under the contract can subject us to liquidated damages. Further, payment default by the lessee during the term of the lease may have an adverse impact on our financial performance. The Company may face pricing pressure from competitors. Intense competition could lead to lower leasing rates and reduced profit margins, adversely affecting the Company's financial results. Rapid technological advancements in heavy equipment may render existing leased assets obsolete. The Company may need to invest in upgrading its equipment to remain competitive and meet evolving customer demands. Failure to adapt to technological changes could impact the attractiveness of the leased equipment, affecting the Company's ability to retain and attract lessees. The industry's rapid technological evolution may render existing leased assets obsolete, compelling the Company to invest in upgrades to remain competitive, failure of which could affect equipment attractiveness and lessee retention. Prospective investors should exercise diligence in assessing these nuanced considerations.

36. Our business is dependent on income from job work. The loss of income from companies outsourcing from us may have a material and adverse effect on our business and results of operations.

The job work income is 6.25%, 6.67% and 7.69% of our revenue from operations are on restated standalone financial statement for the fiscals 2024, 2023 and 2022, respectively. For more details on the job work undertaken by our Company, please see the sub-head '*Welding service – job work*' in the chapter title "*Our Business*" on page 241 of this Prospectus. There is no assurance that we will be able to get the job work from companies in future, as they themselves may decide to do in-house manufacturing of the work they outsource to us. The loss of this income from job work will have material and adverse effect on our business and results of operations. The table provided below sets out the revenue from our top 5 job works customers and top 10 job works customers, including as a percentage of our revenue from operations are on restated standalone financial statement, for the period mentioned below:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
Top 5	49.29	1.92%	49.48	2.03%	62.31	3.18%
Top 10	69.35	2.70%	72.43	2.97%	82.82	4.23%

Further, increase in competition may lead to our competitors establishing exclusive arrangements with our customers due to which we may lose our customers. Additionally, to compete effectively in the manufacturing industry, we must be able to fulfil our customers' changing preferences in a timely manner. Price and time for performance resulting from such changes are equitably adjusted by our customers based on supply of documentation in such form and detail as required by them. Consequently, we are exposed to the risk that our submissions or requests as to price adjustments or delivery schedules or otherwise may not be agreed to by our customers or our customers may not accede to provide consents sought by us. Any such significant operational constraint may adversely affect our business, financial condition, results of operations and cash flows. We cannot assure you that the delays or disruption in the supply of product requirements or failure to meet their obligations in the future or that we will be able to adequately address such delays, disruptions and non-availability of supply of products adequately and in a timely manner, which in turn could impact our revenues of operations.

Since we are dependent on certain key customers for a certain portion of our sales in our business, the loss of any of such customers or a reduction in demand from such customers, for any reason, including due to loss of contracts, delay in fulfilling existing orders, failure to negotiate acceptable terms in negotiations, disputes or a loss of market share or a downturn in such customers' business, if not suitably replaced with another customer, could adversely affect our business, financial condition and results of operations. If our customers do not continue to outsource manufacturing to us or reduce the quantities ordered from us, our business, operations, prospects or financial results maybe materially and adversely affected.

37. The average cost of acquisition of Equity Shares for our Promoters may be lower than the Issue Price.

The average cost of acquisition of Equity Shares for our Promoters may be lower than the Issue Price. The details of the average cost of acquisition of Equity Shares held by our Promoters as at the date of the Prospectus is set out below.

Name	Number of Equity Shares	Average Cost of Acquisition per Equity Share (in ₹)*
Prashant Garg	10,379,551	10.11
Dr. Nitin Garg	6,876,254	3.31
Chitra Garg	6,130,971	6.55
Prashant Garg and Neelu Garg	65,548	18.48
Dr. Nitin Garg and Renuka Garg	526,967	6.07

** As certified by PGS & Associates, Chartered Accountants by way of their certificate dated September 16, 2024.*

For more details regarding weighted average cost of acquisition of Equity Shares by our Promoters and build-up of Equity Shares by our Promoters in our Company, see "*Summary of the Offer Document – Average cost of acquisition*" on page 35.

38. Restrictions on import of raw materials may impact our business and results of operations.

We currently import some portion of our raw materials from China, United Kingdom, Italy, Singapore, Germany, Switzerland etc. We primarily dependent on a few suppliers from China, United Kingdom, Italy, Singapore, Germany, Switzerland etc. for these products, which cannot be replaced easily. The raw material imports are regulated by certain specific laws and regulations that permit concerned authorities to stop any import if it is deemed that the goods proposed to be imported may be hazardous. While the raw materials we import may not be hazardous in nature, we cannot assure you that such regulations will not be made applicable to us or that such regulations will not evolve into more stringent regulations, which would place onerous requirements on us and consequently restrict our ability to import raw materials. While we have not in the recent past experienced any challenges in importing such materials, we cannot assure you that we will not experience any such challenges in the future. For the Fiscal 2024, Fiscal 2023 and Fiscals 2022, our purchase of imported raw materials and components consumed amounts to ₹ 160.54 million, ₹ 254.23 million and ₹179.59 million, representing 6.24%, 9.97% and 8.78%, respectively, of our revenue from operations on restated standalone financial statement. If the available supply of such parts is insufficient to meet the needs of our business or if there is an interruption in supply from our international suppliers, including due to any unanticipated outage, shutdown and/or suspension of production at their facilities, change in political relationship or implementation of laws and policies impacting our relationship with our international suppliers, our ability to manufacture and sell our products could be limited due to such sudden shortage of parts in the market which could result in order cancellations for our products and have an adverse effect on our business and results of operations. We are unable to assure you that such regulations would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. Any restriction on import of raw materials could have an adverse effect on our ability to deliver products to our customers, business and results of operations.

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

We manufacture and sell welding consumables, wear plates and heavy engineering equipment for core industries and provide repair and reconditioning services of heavy machinery and equipment based on our customers' specifications, many of which are highly complex, particularly when catering to end-use industries such as cement, steel, sugar and power, that have higher risk profiles. Despite our quality control and quality assurance efforts, problems may occur, or may be alleged, in the design or manufacturing of these products, including as a result of business continuity issues. Any failure on our part to manufacture above mentioned products as per client requirements could result in a claim against us for substantial damages, regardless of our responsibility for such a failure or defect.

Whether or not we are responsible for the problems in the products we manufacture, be it real or alleged, or caused by faulty customer specifications, or in the manufacturing or design processes, servicing, or a component defect, may result in delayed shipments to our customers or, reduction or cancellation of customer orders. If any such problems were to occur in large numbers or too frequently, our business reputation may also be affected. These potential claims may include damages for the recall of a product or injury/bodily harm and other damages caused to person or property.

We may also be required to repair the defective product or replace it with a new conforming product and the costs may also be required to be borne by us, or if they are borne by the customer, may be capped. The successful assertion of any claim could have a material adverse effect on our business, reputation, results of operations, financial condition and cash flows. In the past, there have been instances of return of defective products to the tune of ₹ 18.27 million, ₹ 16.12 million and ₹ 12.61 million, for the fiscals 2024, 2023 and 2022, respectively which were required to be repaired/ replaced.

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

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

40. We have incurred borrowings from commercial banks and any non-compliance with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.

We have entered into agreements with banks for short-term and long-term borrowings. The table below sets out the details of borrowings incurred by our Company for the period mentioned below:

Particulars	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Non-Current Borrowings	-	16.69	28.00
Current Borrowings	344.35	464.23	217.95
Total	**344.35**	**480.92**	**245.95**

Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to manage our business operations and generate sufficient cash flows to service such debt. Certain agreements that we have entered into contain restrictive covenants, including requirements that we obtain consent from the lenders prior to undertaking certain matters such as availing any changes in capital structure, formulate any scheme of amalgamation or reconstruction, fresh credit facility, giving fresh loans and advances, opening/ maintaining new bank accounts issuing corporate guarantee etc. Any failure to service such indebtedness, or otherwise perform any obligations under such financing agreements may lead to a termination of one or more of our credit facilities or incur penalties and acceleration of payments under such credit facilities, which may adversely affect our business and financial condition. Further, any fluctuations in the interest rates may directly impact the interest costs of such loans and could adversely affect our financial condition. Additionally, we are required to, among other obligations, comply with certain financial covenants including maintaining the prescribed inventory margins, insurance covers on the hypothecated properties and lien creation. Our hypothecated assets comprise of our stock of raw materials, semi-finished and finished goods, consumable stores and spares and such other movable current assets including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain necessary consents to take the actions that we are required to operate and grow our business. Any fluctuations in the interest rates may directly impact the interest costs of such loans, and affect our business, financial condition, results of operations and prospects. Our ability to make repayments and refinance our indebtedness will depend on our continued ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt.

Our financing agreements also generally contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios. In addition, lenders under our credit facility could foreclose on and sell our assets if we default under our credit facilities. For further information including in relation to hypothecated properties, please see "*Financial Indebtedness*" beginning on page 399 of this Prospectus.

41. There have been some instances of incorrect or delayed filings under the RBI Regulations in the past which may attract penalties.

There have been instances of delays in filings Form FC-TRS with the RBI (i) for transfer of 10,000, 75,000, 30,000, 50,000, 50,000 Equity Shares from Manfred Kluge (Person resident outside India) to our Promoter, Prashant Garg on November 10, 2009, August 21, 2013, August 10, 2016, January 20, 2017, March 24, 2017 at the price of ₹100/-, ₹130, ₹137, ₹137 and ₹137/- for each share respectively; (ii) for transfers of 10,000 and 30,000 Equity Shares from Manfred Kluge (Person resident outside India) to our Promoters, Chitra Garg and Dr. Nitin Garg on November 10, 2009 and December 21, 2016, at the price of ₹100/- and ₹137/- for each share respectively; (iii) for transfer of 22,514 and 25,000 Equity Shares from Marion Busch (Person resident outside India) and Steffanie Kummerow (Person resident outside India), respectively to our Promoter, Prashant Garg on August 21, 2013 at the price of ₹130/- for each share; and (iv) for transfer of 120,115 Equity Shares from Manfred Kluge (Person resident outside India) to Narendra Kumar Garg on November 10, 2009 at the price of ₹100/- for each share. As per the provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (since repealed), as applicable at the relevant time, in case of transfer of shares of an Indian company by way of sale from a person resident in India to a person resident outside India or vice versa, the transferor/ transferee, resident in India, is required to submit to the Authorized Dealer bank a report in the Form FC-TRS. The onus of submitting Form FC-TRS within the prescribed timeframe is on the transferor / transferee, resident in India.

In Form ODI filed by our Company for reporting the remittance of USD 75,000 made by it on October 10, 2013 to LSN Diffusion Limited, our associate company, the currency of financial commitment has been inadvertently reported as Pound Sterling/GBP instead of USD. The subsequent investments made by our Company in LSN Diffusion Limited have been made in Pound Sterling / GBP. Further, in the Annual Performance Reports filed by our Company with RBI, the investments in LSN Diffusion Limited have been reported in Pound Sterling. For the purpose of this Prospectus, we have relied on documents such as bank statements for disclosing the Company's investment in LSN Diffusion Limited.

Although, no regulatory action, fine or penalty has been taken/ levied on our Company or the associate or the subsidiary company for the abovementioned purported default / non-compliance however, it cannot be assured that no such regulatory action, fine or penalty will be taken/ levied in the future. Further, we cannot assure you that such non-compliances will not occur in the future. Therefore, if the concerned authorities impose monetary penalties on us or take certain punitive actions against our subsidiary company or its directors/ officers in relation to the same, our business and financial condition could be affected.

42. Our Industry is sensitive to general economic downturn

Our Industry is inherently sensitive to general economic downturns. Any adverse developments affecting the industry can have a significant impact on our business, prospects, financial condition, and results of operations. Our business is highly vulnerable to regional conditions and economic downturns, making it susceptible to unforeseen events or circumstances that negatively affect the industry, leading to material adverse effects on our sales and profitability. These factors encompass a range of elements, including changes in demographics, population, and income levels. Moreover, our business is exposed to risks associated with regional natural disasters and other catastrophic events, such as telecommunications failures, cyber-attacks, fires, riots, and political unrest. Any materially adverse social, political, or economic development, natural calamities, civil disruptions, or changes in the policies of local governments within the industry could adversely affect operations at our manufacturing facility. Specifically, natural disasters such as earthquakes, extreme weather conditions like floods, droughts, or region-specific diseases, may disrupt the supply chain, affecting the availability of raw materials, end-products, and local transportation. These disruptions would have a significant and adverse impact on our business, profitability, and overall reputation

43. We operate in a competitive and fragmented industry with low barriers to entry and may be unable to compete with a range of unorganized sector.

In the dynamic landscape of the engineering business, one of the formidable challenges arises from competition in the unorganized sector. We operate in the welding and anti-wear consumables, wear plates/wear parts and heavy engineering equipment industry which is competitive and fragmented and we compete with a range of unorganized players, at the national and regional level. Further, while we have an expanding portfolio of products, our competitors may have the advantage of focusing on concentrated products. Further, we compete against established players also, which may have greater access to financial, technical and marketing resources and expertise available to them than us in the products and services in which we compete against them.

Further, industry consolidation may affect competition by creating larger, more homogeneous and potentially stronger competitors in the markets in which we compete. Our competitors may further affect our business by entering into exclusive arrangements with our existing or potential clients. There can be no assurance that we will be able to compete successfully against such competitors or that we will not lose our key core employees, associates or clients to such competitors. Additionally, our ability to compete also depends in part on factors outside our control, such as the availability of skilled resources, pricing pressures in the staffing industry and the extent of our competitors' responsiveness to their client's needs. Our continued success depends on our ability to compete effectively against our existing and future competitors. With the potential entry of new competitors, given the low entry barriers in the industry where we operate, our ability to retain our existing clients and to attract new clients is critical to our continued success. As a result, there can be no assurance that we will not encounter increased competition in the future nor can there be any assurance that we will, in light of competitive pressures, be able to effectively compete with our competition in the various product and service segments we operate in, whether on the basis of pricing, quality or range of services or otherwise, which could have material adverse effect on our business, results of operations and financial condition.

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

Our Company has been assigned "A-/ Stable" for long term bank facilities and "A2+" for short term bank facilities credit rating from CRISIL Ratings Limited

Particulars	August 31, 2024		October 17, 2023		July 29, 2022		May 10, 2021	
	Long Term Instruments	Short Term Instruments	Long Term Instruments	Short Term Instruments	Long Term Instruments	Short Term Instruments	Long Term Instruments	Short Term Instruments
Rating	A-	A2+	A-	A2+	A-	A2+	A-	A2+
Rating Agency	CRISIL Ratings Limited	CRISIL Ratings Limited	Acuite Ratings & Research	Acuite Ratings & Research	Acuite Ratings & Research	Acuite Ratings & Research	Acuite Ratings & Research	Acuite Ratings & Research

Our credit ratings, which are intended to measure our ability to meet our debt obligations, are a significant factor in determining our finance costs. The interest rates of certain of our borrowings may be significantly dependent on our credit ratings. A downgrade of our credit ratings could lead to greater risk with respect to refinancing our debt and would likely increase our cost of borrowing and adversely affect our business, results of operations, financial condition, cash flows and future prospects.

45. We are dependent on third-party transportation providers for the supply of raw materials and delivery of our finished products and any failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

As a Manufacturing business, our success depends on the smooth supply and transport of the various raw materials required for our manufacturing facilities and of our products from our manufacturing facilities to our customers, or delivery points and further to our distributors, which are subject to various uncertainties and risks. We transport our raw materials and our finished products by road and sea. We use third-party freight and transportation providers for the delivery of our products. The below table provides details of the transport cost incurred by our Company:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
Transport cost	53.55	1.93	58.63	2.30	55.02	2.69

We do not have formal contractual relationships with such logistic companies and freight forwarders, particularly in the export markets. We maintain marine open insurance policy to cover any damage to our products during transit. Our Company, Promoters, Promoter Group, Key Managerial Personnel, Directors and Group Company and its Directors are not related third-party transportation service providers.

Transportation strikes, if any, could have an adverse effect on supplies and deliveries to and from our distributors and suppliers. Further, on account of the COVID-19 pandemic, our manufacturing operations were shut down and our third-party transportation providers' operations were also closed during the lockdown imposed by the Government.

Further, raw materials and finished products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be a delay in delivery of raw materials and products which may also affect our business and results of operations negatively. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. Any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations or passing these charges on to our customers, which could adversely affect demand for our products.

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

We engage independent contractors through whom we engage contract workers for performance of certain functions at our manufacturing unit and at our offices. While we have not faced any breach of agreements executed with such independent contractors in the last three Fiscals and in the current Fiscal until the date of this Prospectus, there is no assurance that such breach will not occur in the future. Further, while we have not encountered such instance in the past, we cannot assure that we will be able to renew the engagement with our independent contractors at commercially viable terms or at all. Our Company has engaged 454, 446 and 448 contract workers/temporary employees as of March 31, 2024, March 31, 2023 and March 31, 2022. Although we do not engage these contract workers directly, we are responsible for any wage payments to be made to such laborers in the event of default by their respective independent contractors. Any requirement to fund such defaulted wage requirements may have an adverse impact on our business, results of operations, financial condition, cash flows and future prospects.

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

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

47. Our overall margins may fluctuate as a result of the product manufactured by us.

Our overall margins may fluctuate depending on the product manufactured. For example, the gross margin of any given product could depend on the total volume manufactured, complexity of manufacturing processes, technology deployed, and other factors. As a result, a change in product mix may decrease the gross margins and operating margins of our Company, which could have a material adverse effect on our business, financial condition and results of operations. Our ability to maintain our profitability depends on our ability to optimize the product mix to support high-margin products and products with consistent long-term demand and the demand and supply balance of our products in the principal and target markets.

Furthermore, our different lines of business present different levels of profitability and opportunity for growth. If we fail to increase or maintain the proportion of certain products that are profitable in our portfolio this may lead to a reduction in our profitability. If we are not able to attract a sufficient market share of products in growing sectors we may also not be able to continue to grow our business which may lead to a loss of our market position and therefore a reduction in GDPI.

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

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

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

49. We may not have adequate insurance coverage for protecting us against any material hazards.

Our operations are subject to various risks inherent in the manufacturing industry including defects, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents and natural disasters. The occurrence of any one of these events may result in our being named as a defendant in lawsuits asserting claims for substantial damages, including for cleanup costs, personal injury and property damage and fines and/ or penalties. Our total insurance cover includes property, plant and equipment and inventory, for the during the Fiscal 2024, Fiscal 2023 and Fiscal 2022 was ₹1,576 million, ₹1,467 million and ₹1,234 million respectively, which was 115%, 133% and 123%, of our net block of property, plant and equipment (excluding land), and inventory as per restated standalone financial statement. We generally perform scheduled and unscheduled maintenance and operating and other asset management services. The manufacturing of products involves handling of certain risky material which, if not handled properly, can be dangerous. Our insurance may not be adequate to completely cover any or all of our risks and liabilities. There have been no instances in the last three years.

We maintain an amount of insurance protection that we consider adequate including insurance policy covering fire, damage to buildings, plant and machinery, stocks (raw materials and finished goods), vehicles and policy covering damage to goods in domestic transit. We may not have identified every risk and further may not be insured against every risk because such risks are either uninsurable or not insurable on commercially acceptable terms, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies such as COVID-19 and other pandemics, or due to the same being inadequate, could materially harm our cash flows, financial condition and future results of operations. Further, while there has been no past instance of inadequate insurance coverage for any loss, we cannot assure that we will continue to accurately ascertain and maintain adequate insurance for losses that may be incurred in the future. 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. Any claim brought against us, with or without merit, could result in reputational damage, and even unsuccessful claims could result in substantial costs and diversion of management resources. A successful claim not fully covered by our insurance could have a negative impact on our reputation, financial condition, and results of operations. For further information on our insurance arrangements, see *"Our Business – Insurance"* on page 264 of this Prospectus.

50. Significant failure or disruption of our information technology systems could adversely impact our business, results of operations and financial condition.

We have implemented various information technology ("**IT**"), enterprise resource planning ("**ERP**") solutions to cover key areas of our operations, R&D, quality control, procurement, dispatch and accounting. We also have various automation systems and software that automate our manufacturing and production. Although we have not had any material incidents in the Fiscals 2024, 2023 and 2022, these systems are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. A significant or large-scale malfunction or interruption of one or more of our IT, ERP or manufacturing automation systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable or cause damage to our reputation. Any of these developments, alone or in combination, could have a material adverse effect on our business, results of operations and financial condition. Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT, manufacturing automation systems and/or ERP systems may lead to inefficiency or disruption of our operations and thereby adversely affecting our business, results of operations and financial condition.

51. Certain sections of this Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Issue. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

This Prospectus includes information derived from independent third-party research agency, CRISIL Limited, to prepare an industry report titled "*Assessment of welding consumables, wear plates and Heavy engineering equipment market in India*" dated September 2024, for purposes of inclusion of such information in this Prospectus. Certain sections of this Prospectus include information based on, or derived from, the CRISIL Report or extracts of the CRISIL Report. All such information in this Prospectus indicates the CRISIL Report as its source. The industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. The industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information, see chapter titled *"Industry Overview*" on page 196 of the Prospectus.

52. Our Promoters will continue to retain significant shareholding in our Company after the Issue, which will allow it to exercise control over us.

After the completion of the Issue, our Promoters will hold 64.07% of our Equity Shares on a fully diluted basis. Accordingly, post completion of the Issue, our Promoters is expected to retain majority shareholding in our Company will continue to exercise control over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our charter documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. There can be no assurance that our Promoters will exercise its rights as a Shareholder to the benefit and best interests of our Company. The interests of our Promoters, as our Company's significant Shareholder and exercising control over our Company, could be different from the interests of our other Shareholders and their influence may result in change of management or control of our Company, even if such a transaction may not be beneficial to our other Shareholders.

53. 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.

We have declared dividend in the past. For further information, see *"Dividend Policy"* on page 324 of this Prospectus. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board in accordance with the dividend distribution policy as may be adopted by our Board from time to time and will depend on factors that our Board deems relevant, including among others, our Company's profitability, capital requirements, financial commitments and requirements, including business and expansions plans, applicable legal restrictions and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

54. In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding in our Company.

Our Promoter and Directors may be deemed to be interested in addition to regular remuneration or benefits and reimbursement of expenses from our Company, and such interests are to the extent of the Equity Shares held by them, or their relatives or our Group Entities, and benefits deriving from their directorship and shareholding in our Company. Our Promoter are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For the payments that are made by our Company to related parties including remuneration to our Directors, see "*Summary of the Offer Document – Summary of Related Party Transactions*", "*Our Management*" "*Our Promoter and Promoter Group*" on page 32, 292 and 315 respectively. Additionally, our Promoter, Prashant Garg has provided personal guarantee for certain of our borrowings, which has been sanctioned ₹ 700.00 million as of July 31, 2024 and our business, financial condition, results of operations and prospects may be adversely affected by the revocation of all or any of the guarantees provided by our Promoters in connection with our Company's borrowings. For more information, see "*Financial Indebtedness*" on page 399

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

In accordance with 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 Issue and until Allotment of Equity Shares pursuant to this Issue.

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.

56. We are exposed to foreign currency exchange rate fluctuations, which may adversely affect our results of operations and cause our quarterly results to fluctuate significantly.

Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees.

Our revenues from exports, cost of imported raw materials and foreign exchange gain /(loss) for the relevant periods was as below:

(₹ in million)

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in million)	**% of revenue from operations**	**Amount (₹ in million)**	**% of revenue from operations**	**Amount (₹ in million)**	**% of revenue from operations**
Revenue from exports	263.49	9.47%	358.07	14.05%	161.74	7.91%
Cost of raw materials imported	160.54	5.77%	254.23	9.97%	179.59	8.78%
Net Foreign Exchange Gain / (Loss)	2.88	0.10%	2.26	0.09%	5.20	0.25%

Therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. We face foreign exchange rate risk as certain portion of our revenues are denominated in a currency other than the Indian Rupee. Because of our foreign currency exposure, exchange rate fluctuations between the Indian Rupee and foreign currencies, can have a material impact on our results of operations, cash flows and financial condition. These gains/losses were related to instances where the market exchange rate at the time of transaction was in our favour or against us as compared to the rates we had applied when the transactions were accounted. Our company currently does not engage in any kind of hedging contracts for exchange rate fluctuations, we may enter into the same in future which may or may not adequately cover the potential loss that may arise as a result of such foreign exchange transactions. Moreover, the hedges may not cover all such exposures and are in any event subject to their own risks, including counterparty credit risk. Adverse moves in exchange rates may adversely impact our profitability and financial condition. 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.

We face foreign exchange rate risk as certain portion of our revenues are denominated in a currency other than the Indian Rupee Because of our foreign currency exposure, exchange rate fluctuations between the Indian Rupee and foreign currencies, can have a material impact on our results of operations, cash flows and financial condition.

57. Our employees may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with any regulations applicable to us, to provide accurate information to regulatory authorities, to comply with manufacturing standards we have established, or to report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in our industry are subject to laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. While we have not faced such instances in the Fiscal 2024, Fiscal 2023 and Fiscal 2022, there can be no assurance that we will be able to identify and deter such misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risk. If our employees engage in any such misconduct, we could face criminal penalties, fines, revocation of regulatory approvals and harm to our reputation, any of which could form a material adverse effect on our business.

58. Any material deviation in the utilization of the Net Proceeds as disclosed in this Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.

We propose to utilize the Net Proceeds for funding capital expenditure towards expansion of our existing manufacturing facility at Unit IV and for setting up of a new manufacturing facility. Such objects have not been appraised by any bank or financial institution, for further details of the proposed objects of the Issue, see "*Objects of the Issue*" beginning on page 159. At this juncture, 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 and Schedules XI and XX of the SEBI ICDR Regulation, any material deviation in the utilization of the Net Proceeds as disclosed in this Prospectus requires the Company to obtain the approval of shareholders of our Company through a special resolution. In such event, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

Further, our Company and Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with the material deviation of the proposed utilization of Net Proceeds, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders of our Company may deter the Promoters from agreeing to the material deviation of the proposed utilization of the Net Proceeds, even if such material deviation is in the interest of our Company. Further, we cannot assure you that the Promoters will have adequate resources at their disposal at all times to enable them to provide an exit opportunity.

In light of these factors, we may not be able to undertake material deviation of the proposed utilization of the Net Proceeds to use any unutilized proceeds of the Issue, if any, even if such material deviation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Issue Proceeds, if any, which may adversely affect our business and results of operations.

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

The activities carried out at our manufacturing facilities may be potentially dangerous to our employees. While we provide a safe and healthy working environment which is compliant with applicable occupational health and safety management system and environmental management system regulations, there is a risk that an accident may occur at our manufacturing facilities.

An accident may result in personal injury to our employees, or the labour deployed at our manufacturing facilities, destruction of property or equipment, manufacturing or delivery delays, environmental damage, or may lead to suspension of our operations and/or imposition of liabilities. We have not encountered any fatalities or any employee injuries in the last three Fiscals and in the current Fiscal until the date of this Prospectus. However, any such future accident may result in litigation, the outcome of which is difficult to assess or quantify, the cost to defend such litigation can be significant and our insurance may not be sufficient to provide complete coverage. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, results of operations, financial condition, cash flows and future prospects.

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

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

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

EXTERNAL RISK FACTORS

RISKS RELATING TO INDIA

60. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, in the jurisdictions in which we operate may adversely affect our business and results of operations.

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI and other regulatory bodies, or impose onerous requirements. For instance, in order to rationalize and reform labour laws in India, the Government of India has introduced four labour codes which are yet to come into force as on the date of this Prospectus, namely (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. 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.

61. Our Business is dependent on the Indian Economy. Any adverse development or slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India’s sovereign debt rating or a decline in India’s foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Global situations such as outbreak of the COVID-19 pandemic, full scale military invasion of Ukraine by Russia have caused a global economic downturn including in India. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.

India’s economy could be adversely affected by a general rise in interest rates or inflation, civil unrest, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India’s foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

62. We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are proposed to be listed on Stock Exchanges in India. 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 may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- 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;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in Inda's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; general elections in the year 2024; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

63. A slowdown in our exports due to tariffs and trade barriers and international sanctions could adversely affect our business, financial condition and results of operations.

A portion of our revenue is derived from our international business. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the countries or regions where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the

Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. In February 2022, hostilities between Russia and the Ukraine commenced, which has led to the imposition of sanctions of various Russian interests (and in some cases Belarus) by the European Union, Australia, Canada, Japan, New Zealand, Switzerland, South Korea, the United Kingdom and the United States. Any such imposition of trade barriers or international sanctions may have an adverse effect on our business, financial condition and results of operations.

64. Financial and geo-political instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Europe and elsewhere in the world in recent years has adversely 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 us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. For example, the full scale military invasion of Russia into Ukraine and the subsequent sanctions placed on Russia by various countries has substantially affected the economic stability of the world and such volatility could impact our Company's growth. In addition, the market price of oil has risen sharply since the commencement of hostilities in Ukraine, which may have an inflationary effect in India and other countries. A prolonged war or a protracted period of hostilities in the Ukraine may lead to global economic disturbances.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition, results of operation, and cash flows. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition, results of operations, and cash flows, and reduce the price of the Equity Shares.

65. Natural calamities, climate change and health epidemics and pandemics such as COVID-19 could adversely affect the Indian economy and our business, financial condition, and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, financial conditions and results of operations.

India has experienced natural calamities such as cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, infectious disease outbreaks such as the COVID-19 pandemic and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally, including the conflict between Israel – Hamas or Russia and Ukraine following Russia's full-scale military invasion of Ukraine in February 2022, volatility in interest rates, volatility in commodity and energy prices, an increase in oil prices, a loss of investor confidence in other emerging market economies and other political and economic development may adversely affect the Indian securities markets.

Our operations at our manufacturing facilities may be damaged or disrupted as a result of natural calamities. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

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

Our Restated Consolidated Financial Statements as at March 31, 2024, March 31, 2023 and March 31, 2022, the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows, the restated statement of changes in equity for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, the statement of significant accounting policies and other explanatory notes thereon, derived from the audited Ind AS financial statements for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 together with the annexures and notes thereto prepared in accordance with Ind AS and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note.

Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our Restated Consolidated Financial Statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. 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. Prospective investors should review the accounting policies applied in the preparation of our Restated Consolidated Financial Statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should be limited accordingly.

67. If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.

Any change in Indian tax laws could have an effect on our operations. Any future amendments may affect our benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax-free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment, service tax, past claims of central excise, state VAT, and GST that combines taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017. For further information on litigations arising out of such claims, see *"Outstanding Litigation and Material Developments"* beginning on page 402 of this Prospectus.

Further, any future amendments may affect our tax benefits such as exemptions for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemptions for interest received in respect of tax-free bonds, and long-term capital gains on equity shares The Government of India has announced the union budget for Fiscal 2025, pursuant to which certain provisions of the Finance Act, 2024 came into force on April 1, 2024. We have not fully determined the impact of these recent laws and regulations on our business. We cannot predict whether the amendments made pursuant to the Finance Act, 2024 would have an adverse effect on our business, financial condition, future cash flows and results of operations. Furthermore, changes in capital gains tax or tax on capital market transactions or the sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance. We cannot predict the impact of any changes in or interpretations of existing, or the promulgation of, new laws, rules and regulations applicable to us and our business. Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/ departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

In terms of Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions or at all.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see *"Restrictions on* Foreign *Ownership of Indian Securities"* on page 471 of this Prospectus.

69. Any adverse change in India's credit rating by an international rating agency could materially adversely affect our business and profitability.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing.

Going forward, the sovereign ratings outlook will remain dependent on whether the government is able to transition the economy into a high-growth environment, as well as exercise adequate fiscal restraint. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable termsor at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

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

We are incorporated under the laws of India and all our Directors and Key Managerial Personnel reside in India. All our assets are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Civil Procedure Code, 1908 (the "**CPC**"). India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, Singapore, UAE, and Hong Kong.

A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the CPC, and not by proceedings in execution. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except; (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

It cannot be assured that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment.

71. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs with increases in prices for our products. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

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

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

a. the foreign currency equivalent of the Rupee trading price of the Company's Equity Shares in India;
b. the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Company's Equity Shares; and
c. the foreign currency equivalent of cash dividends, if any, on the Company's Equity Shares, which will be paid only in Rupees.

In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India may reduce the proceeds received by Shareholders, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares. Another example would be that the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

RISKS RELATING TO THE ISSUE AND THE EQUITY SHARES

73. The determination of the Price Band is based on various factors and assumptions and the Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue. Further, the current market price of some securities listed pursuant to certain previous issues managed by the BRLM is below their respective issue prices.

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company in consultation with the Book Running Lead Manager. Furthermore, the Issue Price of the Equity Shares will be determined by our Company, in consultation with the Book Running Lead Manager through the Book Building Process.

The Issue Price will be based on numerous factors, including the factors described in "*Basis for Issue Price*" on page 180 and may not be indicative of the market price for the Equity Shares after the Issue. Further, the BRLM has previously handled issues wherein the market price of the issued shares declined below the offer/issue price of shares within 30 days of their listing and in certain cases continued to trade at a price lower than their offer/issue price on the 180th day from listing. For details of the price information of the past issues handled by the BRLM, see "*Other Regulatory and Statutory Disclosures*" on page 417.

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

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

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

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

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.

Additionally, any dividend distributed by a domestic company is subject to tax in the hands of the investor at the applicable rate. Further, our Company is required to withhold tax on such dividends distributed at the applicable rate. Non-resident shareholders may claim benefit of the applicable tax treaty, subject to satisfaction of certain conditions. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

The Government of India has announced the union budget for Fiscal 2025, pursuant to which certain provisions of the Finance Act, 2024 came into force on April 1, 2024. We have not fully determined the impact of these recent laws and regulations on our business. We cannot predict whether the amendments made pursuant to the Finance Act, 2024 would have an adverse effect on our business, financial condition, future cash flows and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

75. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.

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

76. 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.

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

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

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

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

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

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

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

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

80. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

SECTION III - INTRODUCTION

THE ISSUE

The following table summarizes the Issue details:

Issue of Equity Shares(1)	9,405,000 Equity Shares of face value ₹10/- each, aggregating to ₹ 1,579.64*# million
of which:	
Employee Reservation Portion (6)	50,000 Equity Shares of face value ₹10/- each, aggregating to ₹ 8.00# million
Net Issue	93,55,000 Equity Shares of face value ₹10/- each, aggregating to ₹ 1,571.64 million
The Issue consists of:	
A) QIB Portion(2)(3)	46,77,500 Equity Shares of face value ₹10/- each
of which:	
Anchor Investor Portion(2)	28,06,500 Equity Shares of face value ₹10/- each
- Net QIB Portion	18,71,000 Equity Shares of face value ₹10/- each
of which:	
- Available for allocation to Mutual Funds only (5% of the Net QIB Portion)(3)	93,550 Equity Shares of face value ₹10/- each
- Balance of QIB Portion for all QIBs including Mutual Funds	17,77,450 Equity Shares of face value ₹10/- each
B) Non-Institutional Portion(3)(4)	Not less than 14,03,250 Equity Shares of face value ₹10/- each
of which:	
One-third of the Non-Institutional Portion available for allocation to Non-Institutional Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million	4,67,750 Equity Shares of face value ₹10/- each
Two-third of the Non-Institutional Category available for allocation to Non-Institutional Bidders with an application size of more than ₹ 1.00 million	9,35,500 Equity Shares of face value ₹10/- each
C) Retail Portion(3) (4)	32,74,250 Equity Shares of face value ₹10/- each
Pre-Issue and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue (as on the date of this Prospectus)	28,021,259 Equity Shares of face value ₹10/- each
Equity Shares outstanding after the Issue	3,74,26,259 Equity Shares of face value ₹10/- each
Utilization of Net Proceeds	For details see *"Objects of the Issue"* beginning on page 159 of this Prospectus for details regarding the use of proceeds from the Issue.

**Subject to finalization of Basis of Allotment*

#*A discount of ₹ 8.00 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion.*

(1) *The Issue was authorized by our Board of Directors and our Shareholders pursuant to the resolutions passed at their meetings dated December 13, 2023 and December 20, 2023 respectively.*

(2) *Our Company, in consultation with the Book Running Lead Manager, allocated up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion has been reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further 5% of the QIB Portion (excluding Anchor Investor portion) was made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) was made available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids having been received at or above the Issue Price. For details, see "Issue Procedure" beginning on page 446 of this Prospectus.*

(3) *Subject to valid Bids having been received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would have been allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company and the Promoters, in consultation with the Book Running Lead Manager, and the Designated Stock Exchange, subject to applicable laws. In case of under-subscription in the Issue, subject to receipt of minimum subscription for 90% of the Issue, compliance with Rule 19(2)(b) of the SCRR and allotment of not more than 50% of the Net Issue to QIBs, Equity Shares would have been allocated in the manner specified in the section "Terms of the Issue" beginning on page 432 of this Prospectus.*

(4) *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 ₹500,000, shall use the UPI Mechanism. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹200,000 and up to ₹500,000, 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.*

(5) *Allocation to bidders in all categories, except the Anchor Investor Portion and the Retail Portion, was made on a proportionate basis subject to valid Bids having being received at or above the Issue Price, as applicable. 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, would have been allocated on a proportionate basis. Not less than 15% of the Issue was available for allocation to Non-Institutional Bidders of which one-third of the Non-Institutional Portion would have been 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 Portion would have been available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion would have been allocated to Bidders in the other sub-category of Non-Institutional Portion. The allocation to each Non-Institutional Bidder was not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, was allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.*

(6) *The Employee Reservation Portion did not exceed 5% of our post-Issue paid-up Equity Share capital. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion could be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). For further details of the Issue, see "The Issue" and "Issue Structure" on pages 90 and 441,*

respectively. Our Company, in consultation with the BRLM, offered an Employee Discount of 4.76 % to the Issue Price (equivalent of ₹8.00 per Equity Share), which was announced at least two Working Days prior to the Bid/Issue Opening Date.

For further details, please see "Terms of the Issue" and "Issue Procedure" on page 432 and page 446 respectively of this Prospectus.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Consolidated Financial Statements. The Restated Consolidated Financial Statements has been prepared, based on financial statements for Fiscal 2024, Fiscal 2023 and Fiscal 2022. The Restated Consolidated Financial Statements have been prepared in accordance with Ind AS and the Companies Act, restated in accordance with the SEBI ICDR Regulations and are presented in the section entitled "Financial Information" on page 325.

The summary financial information presented below should be read in conjunction with the chapters titled "Restated Consolidated Financial Statement" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 325 and 371 respectively.

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DIFFUSION ENGINEERS LTD

Restated Consolidated Statement of Asset and Liabilites as at March 31, 2024

(All amounts in rupees Million, unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3	905.71	632.76	601.08
(b) Capital work-in-progress	3 (a)	11.05	18.27	-
(c) Intangible assets	4	4.25	2.55	1.72
(d) Financial assets				
(i) Investments	5	291.95	195.03	188.79
(ii) Other financial assets	6	62.09	64.02	58.69
Total non-current assets		**1,275.05**	**912.64**	**850.28**
(2) Current Assets				
(a) Inventories	7	532.12	517.08	443.70
(b) Financial Assets				
(i) Trade receivables	8	666.47	701.35	503.45
(ii) Cash and cash equivalents	9	78.13	45.29	30.61
(iii) Other bank balances	10	-	0.03	5.05
(iv) Loans and advances	11	155.45	50.06	27.84
(v) Others financial assets	12	11.58	33.25	9.13
(c) Other current assets	13	37.05	43.75	25.39
Total current assets		1,480.80	1,390.80	1,045.18
Total Assets		**2,755.85**	**2,303.44**	**1,895.46**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	14	280.21	37.37	37.37
(b) Other equity	15	1,626.83	1,382.60	1,169.11
Equity attributable to equity holders of the Parent		**1,907.04**	**1,419.97**	**1,206.48**
(c) Non-controlling interests	15	**3.14**	**1.69**	**1.88**
Total equity		**1,910.18**	**1,421.67**	**1,208.36**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	-	16.69	28.00
(ii) Other financial liabilities	17	9.99	8.37	6.52
(b) Provisions			-	-
(c) Deferred tax liabilities (net)	18	52.43	37.58	33.60
Total non-current liabilities		**62.43**	**62.63**	**68.12**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	344.35	464.23	217.95
(ii) Trade payables	20			
Total outstanding dues of micro, small and medium enterprises		111.59	31.26	1.32
Total outstanding dues of creditors other than micro enterprises, small and medium enterprises		197.56	216.12	307.21
(iii) Other financial liabilities	21	22.23	7.82	13.72
(b) Provisions	22	9.27	5.74	2.73
(c) Other current liabilities	23	98.24	93.97	76.04
Total current liabilities		**783.24**	**819.15**	**618.97**
Total Equity and liabilities		**2,755.85**	**2,303.44**	**1,895.46**
The accompanying notes form an integral part of the consolidated financial statements	**1-46**			

As per our report of even date
For PGS & Associates
Chartered Accountants
F.R.N. : 0122384W

For and on behalf of the Board of Directors of
Diffusion Engineers Limited

PREMAL H GANDHI
Partner
Membership Number: 111592
Place : Nagpur
UDIN - 24111592BKBIPP9148
Date : 31/07/2024

PRASHANT N. GARG
Chairman & Managing Director
DIN :- 00049106
Place : Nagpur
Date : 31/07/2024

AJAY JAIN
Director
DIN :- 02815416
Place : Nagpur
Date : 31/07/2024

ABHISHEK MEHTA
Chief Financial Officer
Place : Nagpur
Date : 31/07/2024

CHANCHAL JAISWAL
Company Secretary
Place : Nagpur
Date : 31/07/2024

DIFFUSION ENGINEERS LTD

Restated Consolidated Statement of Profit & Loss for the period ended March 31, 2024

(All amounts in rupees Million, unless otherwise stated)

	Particulars	Note No.	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
	Revenue				
I	Revenue from operations	24	2,781.44	2,548.76	2,045.89
II	Other income	25	74.17	37.95	41.58
III	**Total revenue (I+II)**		**2,855.61**	**2,586.72**	**2,087.47**
IV	**Expenses**				
	Cost of materials consumed	26	1,292.27	1,376.33	1,166.25
	Purchases of stock-in-trade	27	185.55	128.09	82.07
	Changes in inventories of finished goods and work-in-progress	28	(9.50)	(28.26)	(77.72)
	Manufacturing expenses	29	388.18	328.62	264.51
	Employee benefit expenses	30	360.56	307.60	268.96
	Finance costs	31	17.55	22.95	13.83
	Depreciation and amortization expenses	3 & 4	45.49	38.42	41.64
	Other expenses	32	175.70	157.61	116.92
	Total expenses (IV)		**2,455.81**	**2,331.36**	**1,876.47**
V	**Profit/(loss) before Exceptional Items and Tax (III-IV)**		**399.80**	**255.36**	**210.99**
VI	Exceptional Items	**33**	**2.57**		
VII	**Profit before Tax and share of profit / (loss) of associates and joint ventures accounted for using the equity method (V-VI)**		**397.23**	**255.36**	**210.99**
VIII	Share of profit / (loss) of associates and joint ventures		13.60	31.24	8.75
IX	**Profit before tax (VII+VIII)**		**410.83**	**286.60**	**219.75**
X	**Tax expenses**				
	- Current tax		87.86	59.34	49.01
	(Excess)/short provision of tax relating of previous years		-	1.83	-
	- Deferred tax		14.94	3.98	0.28
	Total tax expenses		**102.80**	**65.15**	**49.29**
XI	**Net profit for the year (IX-X)**		**308.03**	**221.45**	**170.46**
XII	**Other comprehensive income**				
	(i) Items that will not be reclassified subsequently to profit or loss				
	Remeasurements of the defined benefit plans		-1.99	0.20	(0.89)
	Income tax effect on above		0.45	(0.05)	0.22
	(ii) Items that will be reclassified to profit or loss in subsequent periods				
	Foreign currency translation of foreign operations		-2.13	2.92	0.63
	Other comprehensive income for the year, net of tax		**(3.67)**	**3.07**	**(0.03)**
XIII	**Total comprehensive income / (loss) for the period (XI+XII)**		**304.37**	**224.52**	**170.42**
	Profit attributable to:				
	Owners of the Parent		306.59	221.64	170.24
	Non-Controlling Interest		1.45	(0.18)	0.21
	Other Comprehensive Income attributable to:				
	Owners of the Parent		(3.63)	3.03	(0.03)
	Non-Controlling Interest		(0.04)	0.03	(0.00)
	Total Comprehensive Income attributable to:				
	Owners of the Parent		302.96	224.67	170.21
	Non-Controlling Interest		1.41	(0.15)	0.21
	Earnings per equity share				
	Earnings per equity share [nominal value of share Rs. 10/-]				
	Basic		10.94	7.91	6.08
	Diluted		10.94	7.91	6.08

Significant accounting policies and notes to the Ind AS financial statements
The explanatory notes referred to above form an integral part of the Ind AS financial statements

As per our report of even date
For PGS & Associates
Chartered Accountants
F.R.N. : 0122384W

For and on behalf of the Board of Directors of
Diffusion Engineers Limited

PREMAL H GANDHI
Partner
Membership Number: 111592
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Chief Financial Officer
Place : Nagpur
Date : 31/07/2024

CHANCHAL JAISWAL
Company Secretary
Place : Nagpur
Date : 31/07/2024

DIFFUSION ENGINEERS LTD
Restated Consolidated Cash Flow Statement for the year ended March **31, 2024**
(All amounts in rupees Million, unless otherwise stated) -

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
A	**Cash flows from operating activities**			
	Profit /(loss) before tax	410.83	286.60	219.75
	Adjustments:			
	Depreciation and amortisation	45.49	38.42	41.64
	Bad Debts & Write Off	9.56	3.88	1.39
	Gain / (loss) on remeasurements of the defined employee benefit plans	(1.54)	0.15	(0.67)
	Net (gain)/loss on financial instruments at fair value through profit or loss	(29.43)	10.33	(6.97)
	Liabilities written-back	-	-	(0.25)
	Interest and Finance Charges	17.55	22.95	13.83
	Interest Income	(4.27)	(2.46)	(3.07)
	Share of profit / (loss) of associates and joint ventures	13.60	31.24	8.75
	Unrealised exchange (gain)/loss	(2.13)	2.92	0.63
	Exceptional Item	2.57		
	Operating cash flows before working capital changes and other assets	**462.24**	**394.01**	**275.04**
	(Increase) / decrease in inventories	(15.04)	(73.38)	(148.41)
	Decrease/ (increase) in Trade and Other Receivables	(60.62)	(253.12)	(78.17)
	(Decrease) / increase in other current assets	6.70	(18.35)	(4.22)
	(Decrease) / increase in Trade and Other Payables	77.83	(60.18)	108.59
	(Decrease) / increase in other current liabilities	19.12	17.94	0.28
	(Decrease) / increase in other current provisions	3.53	3.01	0.55
	Cash generated from operations	**493.77**	**9.89**	**153.67**
	Income taxes refund / (paid), net	(102.80)	(57.26)	(43.17)
	Net Cash Flow From/(Used In) Operating Activities (A)	**390.97**	**(47.37)**	**110.51**
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment	(319.78)	(72.54)	(113.41)
	Purchase of intangible assets	(1.70)	(1.25)	
	Purchase of CWIP	7.22	(18.27)	-
	Disposal of assets	1.33	2.86	38.08
	Non Current investment	(81.08)	(47.81)	(65.71)
	Interest Income	4.27	2.46	3.07
	(Increase)/Decrease in bank balances not considered as cash and cash equivalent (net)	4.13	0.81	(14.04)
	Net Cash Flow From/(Used In) Investing Activities (B)	**(385.61)**	**(133.73)**	**(152.02)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long-term borrowings	(16.70)	(11.31)	(27.65)
	Proceeds from short-term borrowings(Net)	(119.88)	246.28	76.70
	Finance Cost paid	(17.55)	(22.95)	(13.82)
	Dividend Paid	(18.22)	(16.24)	(9.90)
	Proceeds from Issue	202.37		
	Issue Expenses	(2.57)		
	Net Cash Flow From/(Used In) Financing Activities (C)	**27.47**	**195.78**	**25.33**
	Net increase / decrease in cash and cash equivalents	32.83	14.67	(16.18)
	Cash and cash equivalents at the beginning of the period	45.29	30.61	46.79
	Cash & Cash Equivalents at the End of the Period(A+B+C) (refer Note 9)	**78.13**	**45.29**	**30.61**

As per our report of even date
For PGS & Associates
Chartered Accountants
F.R.N. : 0122384W

For and on behalf of the Board of Directors of
Diffusion Engineers Limited

PREMAL H GANDHI
Partner
Membership Number: 111592
Place : Nagpur
UDIN - 24111592BKBIPP9148
Date : 31/07/2024

PRASHANT N. GARG
Chairman & Managing Director
DIN :- 00049106
Place : Nagpur
Date : 31/07/2024

AJAY JAIN
Director
DIN :- 02815416
Place : Nagpur
Date : 31/07/2024

ABHISHEK MEHTA
Chief Financial Officer
Place : Nagpur
Date : 31/07/2024

CHANCHAL JAISWAL
Company Secretary
Place : Nagpur
Date : 31/07/2024

GENERAL INFORMATION

Our Company was incorporated under the provisions of the Companies Act, 1956 with the name "Diffusion Engineers Private Limited" pursuant to certificate of incorporation dated November 05, 1982 issued by Registrar of Companies, Maharashtra. Subsequently, our Company has been converted into a public limited company and the name of our Company changed to "Diffusion Engineers Limited" pursuant to a special resolution passed at the Extra-Ordinary General Meeting of our Company held on May 17, 1995 and a fresh Certificate of Incorporation dated July 03, 1995, consequent upon change of name and upon conversion to public limited company has been issued by the RoC.

For details of changes in registered offices of our Company, please refer to the section titled *"History and Certain Corporate Matters"* beginning on page 276 of this Prospectus.

Registered Office of our Company

Diffusion Engineers Limited
T-5 & T-6, Nagpur Industrial Area, MIDC,
Hingna, Nagpur - 440016 Maharashtra.

Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are as follows:

a) Registration number: 124154

b) Corporate identity number: U99999MH2000PLC124154

The Registrar of Companies

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

100, Everest, Marine Drive,
Mumbai-400002, Maharashtra.

Board of Directors

As on the date of this Prospectus, our Company's Board comprises of the following Directors:

Name	Nature of Directorship	DIN	Residential Address
Prashant Garg	Managing Director	00049106	Plot No. 03, Pawan Bhumi, Wardha road, Somalwada, Khamla, Nagpur– 440025, Maharashtra, India
Dr. Nitin Garg	Non - Executive Director	08558736	Flat No. C 1/404, Block no. 6, 4th Floor, Paras Urban Park, Rohit Nagar, Huzur, Bhopal– 462039, Madhya Pradesh, India.
Chitra Garg	Non – Executive Director	01784644	Plot No. 3, Somalwada, Pragati Society, Pavbhumi, Somalvada Nagpur, Khamla Nagpur– 440025, Maharashtra, India.

Name	Nature of Directorship	DIN	Residential Address
Anil Trigunayat	Independent Director	07900294	B-701, Ridgeview IFS Apartments, Plot No. GH – 87, Opposite Ansal University, Sector – 54, Gurgaon Sector – 56, Haryana – 122011, India.
Sherry Oommen	Independent Director	07059616	House No.44/1179, Ashoka Road, Kaloor P.O. Ernakulam - 682017, Kerala
Deepali Bendre	Independent Director	10753545	5, Saraswati Layout, Deendayal Nagar, Nagpur – 440022, Maharashtra, India

For further details of the Board of Directors, please refer to the section titled "*Our Management*" beginning on page 292 of this Prospectus.

Filing of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with Board and the Registrar of Companies

A copy of the Draft Red Herring Prospectus has been filed electronically on the SEBI's online portal at https://siportal.sebi.gov.in, as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI master circular SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "*Easing of Operational Procedure – Division of Issues and Listing – CFD*". It will also be filed with SEBI at:

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex
Bandra (E), Mumbai 400 051
Maharashtra, India.

A copy of this Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act has been delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act will be delivered for registration to the RoC at its office and through the electronic portal of MCA.

Company Secretary & Compliance Officer

Chanchal Jaiswal is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

Chanchal Jaiswal
T-5 & T-6, Nagpur Industrial Area, MIDC,
Hingna, Nagpur – 440016 Maharashtra.
Email ID: cs@diffusionengineers.com
Telephone: +91 9158317943

Investor Grievances

Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

All Issue related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to 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, Bidder's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, 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 using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgment number received 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 Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. 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/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the BRLM are required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

All grievances of the Anchor Investors were addressed to the Registrar to the Issue, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, name and address of the Book Running Lead Manager, unique transaction reference number, the name of the relevant bank, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

Book Running Lead Manager

Unistone Capital Private Limited
A/ 305, Dynasty Business Park, Andheri-Kurla Road,
Andheri East, Mumbai – 400 059, Maharashtra
Telephone: +91 022-46046494
Email: mb@unistonecapital.com
Investor grievance email:
compliance@unistonecapital.com
Contact Person: Brijesh Parekh
Website: www.unistonecapital.com
SEBI Registration number: INM000012449
CIN: U65999MH2019PTC330850

Statement of *inter se* allocation of Responsibilities for the Issue

Since Unistone Capital Private Limited is the sole Book Running Lead Manager to this Issue and all the responsibilities relating to the co-ordination and other activities in relation to the Issue shall be performed by them and hence, a statement of inter se allocation of responsibilities is not applicable.

Registrar to the Issue

Bigshare Services Private Limited
Office No. S6-2, 6th floor, Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri East, Mumbai-400093
Telephone: +91 22-6263 8200
Facsimile: +91 22-6263 8299
Email: ipo@bigshareonline.com
Investor grievance email: investor@bigshareonline.com
Contact Person: Babu Rapheal C.
Website: https://www.bigshareonline.com
SEBI Registration Number: INR000001385
CIN: U99999MH1994PTC076534

Legal Counsel to the Issuer

M/s. Alliance Law
Address: 801, 8th Floor, Raheja Centre,
Free Press Journal Marg, Nariman Point,
Mumbai – 400 021.
Telephone: +91 9987011250
E-mail: ipo@alliancelaw.in

Statutory Auditors of our Company

M/s. PGS & Associates, Chartered Accountants
Address: 301, Laxmi Krupa, 3rd Lokmanya Tilak Colony Road, Near Yogi Sabhagruh, Dadar [East], Mumbai - 400014, Maharashtra, India.
Telephone: +91 93242 83636
E-mail: premal@pgsca.in
Contact Person: Premal Gandhi
Firm Registration No.: 122384W
Peer Review Number: 017921

Bankers to the Issue

Escrow Collection Bank, Refund Bank and Sponsor Bank

ICICI Bank Limited
Address: Capital Market Division, 5th Floor, HT Parekh Marg,
Churchgate, Mumbai -400020
Telephone: 022-68052182
Email: ipocmg@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Varun Badai
SEBI Registration Number: INBI00000004

Public Issue Bank and Sponsor Bank

HDFC Bank
Address: HDFC Bank Limited, FIG-OPS Department – Lodha,
I Think Techno Campus, O-3 Level,
Next to Kanjurmarg Railway Station,
Kanjurmarg (East), Mumbai - 400042, Maharashtra.
Telephone: +91 22 30752929, +91 22 30752928, +91 22 30752914
Email: Siddharth.jadhav@hdfcbank.com, Sachin.gawade@hdfcbank.com, eric.bacha@hdfcbank.com, tushar.gavankar@hdfcbank.com, pravin.teli2@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Eric Bacha/Sachin Gawade/Pravin Teli/Siddharth Jadhav/Tushar Gavankar
SEBI Registration Number: INBI00000063
Corporate Identity Number (CIN): L65920MH1994PLC080618

Syndicate Member

Globalworth Securities Limited
Address: 716, 7TH Floor, Neelkanth Corporate Park,
Kirol Road, Near Vidhyavihar Railway Station,
Vidhyavihar West, Mumbai,
Maharashtra – 400086, India
Telephone: 022 - 69190011
Fax: NA
E-mail: compliance@globalworth.in
Website: www.globalworth.in
Contact Person: Sachin Malde
SEBI Cert Registration No: INZ000189732
CIN: U67190MH2010PLC201996

Banker to our Company

HDFC Limited
Address: 1st Floor, 18/3, IT Park
Near Persistent System,
Gayatri Nagar,
Nagpur – 440022
Maharashtra, India
Telephone: +91 9930202639
E-mail: jatin.keswani@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Jatin Keswani
CIN: L65920MH1994PLC080618

DBS Bank India Limited
Address: 373, Imperial Court, Rangolay Marg, Khare Town, Dharampeth, Nagpur - 440010
Maharashtra, India
Telephone: +91 0712-2543310
E-mail: robinsonkothar@dbs.com
Website: www.dbs.com
Contact Person: Robinson Kothare
CIN: U65999DL2018FLC329236

ICICI Bank Limited
Address: Civil lines, Nagpur
Telephone: +91 0712-6613803
E-mail: kaustubh.dhar@icicibank.com

Website: www.icicibank.com
Contact Person: Kaustubh Dhar
CIN: L65190GJ1994PLC0210212

Yes Bank Limited
Address: Civil lines, Nagpur
Telephone: +91 9975849993
E-mail: parul.rathi@yesbank.in
Website: www.yesbank.in
Contact Person: Parul Rathi
CIN: L65190MH2003PLC143249

Changes in Statutory Auditors during last three Financial Years

Except as stated below, there have been no changes in the statutory auditors during the three years immediately preceding the date of this Prospectus.

Particulars	Date of Change	Reason of Change
M/s. PGS & Associates* **Firm Registration No.:** 122384W **Peer Review Number:** 013377	July 29, 2023	Appointment as Statutory Auditor to fill casual vacancy upon resignation of M/s. P. R. Bhuta & Co.
M/s. P. R. Bhuta & Co. **Firm Registration No.:** 101471W	July 17, 2023	Resignation by M/s. P R Bhuta & Co, as statutory auditors of our Company on account of not holding a certificate of peer review.

**PGS & Associates have been appointed as Statutory Auditors for a period of 5 years vide shareholders resolution passed during their meeting held on September 25, 2023.*

Designated Intermediaries

Self-Certified Syndicate Banks (SCSBs)

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

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form(s) of Bidders (other than RIBs) is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time. Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available www.sebi.gov.in.

Eligible 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, the UPI Bidders could only apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, using the UPI handles and which are live for applying in public issues using UPI mechanism, is provided in the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at 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, as updated from time to time.

Syndicate SCSB Branches

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

Registered Brokers

Bidders could submit ASBA Forms in the Issue 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, including details such as postal address, telephone number and e-mail address, is provided on the websites of the stock exchanges at www.bseindia.com and www.nseindia.com , respectively, as updated from time to time.

Registrar to the Issue and Share Transfer Agents

The list of the RTAs eligible to accept ASBA forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of stock exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Self Certified Syndicate Banks eligible as Sponsor Banks for UPI

The list of Self Certified Syndicate Banks eligible as sponsor banks for UPI Mechanism, including details such as name and contact details, are provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41, or such other websites as updated from time to time.

Designated Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of stock exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI (ww.sebi.gov.in) and updated from time to time.

Experts

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

Our Company has received written consents from the following persons to include their names in this Prospectus as an "Expert" as defined under Section 2(38) of the Companies Act and such consents have not been withdrawn as on the date of this Prospectus:

a) Consent dated September 16, 2024, from our Statutory Auditor namely, M/s. PGS & Associates, Chartered Accountants, in respect of (i) the reports of the Statutory Auditors on the Restated Consolidated Financial Statements dated July 31, 2024 and Statement of Possible Special Tax Benefits dated September 16, 2024.
b) Consent dated September 19, 2024 from M/s. Sandeep Mashru & Co., Independent Chartered Engineers in respect of their (i) certificates dated August 21, 2024 on our Company's installed capacity and capacity utilization at our Units I, II, III and IV; (iii) certificate dated September 19, 2024 for the Proposed Facility and (iv) certificate dated September 19, 2024 for the Proposed Expansion included in this Prospectus.
c) Consent dated August 21, 2024 from Madhav Kawade, Peer Reviewed Practicing Company Secretary for (i) the Physical ROC Search Report; and (ii) Compliance Certificate for the exit offer process.
d) Consent dated August 21, 2024 from P.M. Vala & Associates, Company Secretaries for the discrepancies / errors in RoC filing.

Credit Rating

As the Issue is of Equity Shares, credit rating is not required.

Debenture Trustees

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Issue.

IPO Grading

No credit agency registered with SEBI has been appointed in respect of obtaining grading of the Issue.

Monitoring Agency

Our Company has appointed CRISIL Ratings Limited, a credit rating agency registered with SEBI as a monitoring agency to monitor the utilization of the Gross Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Prospectus with the RoC. For details in relation to the proposed utilization of the Net Proceeds, see "*Objects of the Issue*" on page 159.

Appraising Entity

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

Book Building Process

The book building, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and Bid cum Application Forms (and the Revision Forms) within the Price Band and minimum bid lot, which was decided by our Company, in consultation with the BRLM, and advertised in all editions of the English national daily newspaper, all editions of the

Hindi national daily newspaper and all editions of the Marathi regional newspaper (Marathi being the regional language of Maharashtra where our Registered Office is located), each with wide circulation, at least two working days prior to the Bid/ Issue Opening Date. The Issue Price determined by our Company in consultation with the BRLM, after the Bid/Issue Closing Date. For further details, see "*Issue Procedure*" on page 446. The principal parties involved in the Book Building Process are:

All Bidders (other than Anchor Investors) mandatorily participated in the Issue only through the ASBA process providing the details of their respective bank accounts in which the corresponding Bid Amount was blocked by the SCSBs. In addition to this, the RIBs participated through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public issued whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs and Eligible Employees bidding in the Employees Reservation Portion can revise their Bids during the Bid/ Issue Period and withdraw their Bids until the Bid/ Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid / Issue Period. One-third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹0.20 million and up to ₹1.00 million, two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹1.00 million and the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Investors. The allocation of Equity Shares to each Non-Institutional Investor shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. Except for Allocation to RIBs, Non-Institutional Investors and the Anchor Investors, Allocation in the Issue made on a proportionate basis. For further details on the Book Building Process and the method and procedure for Bidding, please refer to "*Terms of the Issue*", "*Issue Structure*" and "*Issue Procedure*" beginning on pages 432, 441 and 446, respectively of this Prospectus.

Each Bidder by submitting a Bid in Issue, will be deemed to have acknowledged the above restrictions and the terms of the Issue.

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

Bidders should note that this Issue is also subject to obtaining (i) final approval of the RoC after this Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment within three working days of the Bid/Issue Closing Date or such other time period as prescribed under applicable law.

For an illustration of the Book Building Process and the price discovery process, please refer to the chapter titled "*Issue Procedure*" on page 446 of this Prospectus.

Underwriting

Our Company has entered into the Underwriting Agreement with the Underwriters and Registrar to the Issue for the Equity Shares proposed to be issued through the Issue. The extent of underwriting obligations and the Bids to be underwritten in the Issue shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriting Agreement is dated September 30, 2024. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, address, telephone, fax, and email of the Underwriters	Indicative number of Equity Shares of face value ₹10/- each to be Underwritten	Amount Underwritten (in ₹ million)
Unistone Capital Private Limited A/ 305, Dynasty Business Park, Andheri-Kurla Road, Andheri East, Mumbai –400 059, India Telephone: +91 022-46046494 E-mail: mb@unistonecapital.com Attention: Brijesh Parekh	84,64,400	1,422.02
Globalworth Securities Limited 716, 7th Floor, Neelkanth Corporate Park, Kirol Road, Near Vidhyavihar Railway Station, Vidhyavihar West, Mumbai, Maharashtra – 400086, India Telephone: 022 - 69190011 E-mail: compliance@globalworth.in Attention: Kulin Shah	100	0.02

The abovementioned underwriting commitments are indicative and will be finalized after actual allocation of Equity Shares, subject to and in accordance with the provisions of the SEBI ICDR Regulations.

In the opinion of our Board the resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board, at its meeting held on September 30, 2024, has accepted and entered into the Underwriting Agreement on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment. Notwithstanding the above table, the Underwriters shall be severally and not jointly responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers or subscribe to Equity Shares to the extent of the defaulted amount in accordance with and subject to the terms of the Underwriting Agreement.

CAPITAL STRUCTURE

The Equity Share capital of our Company before the Issue and after giving effect to the Issue, as at the date of this Prospectus, is set forth below:

(in ₹ except the share data)

Sr. No.	Particulars	Aggregate Face Value	Aggregate Value at Issue Price
I.	**Authorized share capital** [(2)]		
	40,000,000 Equity Shares of face value ₹10/- each	400,000,000	--
II.	**Issued, subscribed and paid-up share capital prior to the Issue**		
	28,021,259 Equity Shares of face value ₹10/- each	280,212,590	--
III.	**Present Issue in terms of the Prospectus**		
	Issue of up to 9,405,000 Equity Shares of face value ₹10/- each at a price of ₹168 per Equity Share	94,050,000	1,579,640,000[(1)]
	of which:		
	Employee Reservation Portion of up to 50,000 Equity Shares of face value ₹10 each [(5)]	500,000	8,000,000[(1)]
	Net Issue of 93,55,000 Equity Shares of face value ₹10 each	93,550,000	1,571,640,000[(1)]
IV.	**Issued, subscribed and paid-up share capital after the Issue**		
	37,426,259 Equity Shares[(1)] of face value ₹10/- each (assuming full subscription in the Issue)	374,262,590	
V.	**Securities premium account**		
	Before the Issue (as on date of this Prospectus)	Nil	
	After the Issue[(1)]	1,485,590,000	

[(1)] *Subject to finalization of Basis of Allotment. A discount of ₹ 8 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*

[(2)] *For details of the changes in the authorized share capital of our Company in the last 10 years, please refer to chapter titled "History and Certain Corporate Matters – Changes in Memorandum of Association in the last 10 years" beginning on page 278 of this Prospectus.*

[(3)] *The Issue has been authorized pursuant to a resolution of our Board passed at its meeting held on December 13, 2023 and by special resolution passed by our Shareholders at the Extra-Ordinary General Meeting held on December 20, 2023.*

[(4)] *As on the date of this Prospectus, there are no partly paid-up Equity Shares of our Company and there is no share application money pending for allotment.*

[(5)] *In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of allocation made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000 net of Employee Discount), was added to the Net Issue. Our Company, in consultation with the BRLM, offered an Employee Discount of up to 4.76% to the Issue Price (equivalent of ₹8.00 per Equity Share), which was announced at least two Working Days prior to the Bid/Issue Opening Date.*

Notes on Capital Structure

1. **Share capital history of our Company**

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

Date of Allotment of Equity Shares	***Number of Equity Share***	***Face Value per Equity Share (₹)***	***Issue Price per Equity Share (₹)***	***Nature of Consideration (Cash/Other than Cash)***	***Reason/ Nature of Allotment***	***Number of Allottees***	***List of Allottees***	***Cumulative Number of Equity Shares***	***Cumulative Equity Share Capital (₹)***
November 05, 1982	20	100	100	Cash	Subscription to MOA	2	Allotment of 10 Equity Shares to Ashwani Kumar Manek and 10 Equity Shares to Sanjeev Bhaskar.	20	2,000
August 12, 1983(1)(2)*	1,210	100	100	Cash	Further Allotment	6	Allotment of 250 Equity Shares to Raju Mirchandani, 240 Equity Shares to Sanjeev Bhaskar, 240 Equity Shares to Ashwani Manek, 180 Equity Shares to N.S. Gopalakrishnan, 150 Equity Shares to S.R. Nathan and 150 Equity Shares to Narendra Kumar Garg.	1,230	123,000
March 02, 1985(1)(2)*	420	100	100	Cash	Further Allotment	3	Allotment of 240 Equity Shares to G.G. Trasi, 250 Equity Shares to S.R. Nathan, 70 Equity Shares to Narendra Kumar Garg.	1,650	165,000
March 28, 1985(1)(2)*	100	100	100	Cash	Further Allotment	2	Allotment of 70 Equity Shares to N.S. Gopalakrishnan, 30 Equity Shares to Narendra Kumar Garg.	1,750	175,000
March 28, 1985(1)(2)	250	100	100	Cash	Further Allotment	1	Allotment of 250 Equity Shares to A.T. Harinath.	2,000	200,000
October 28, 1985(1)(2)	250	100	100	Cash	Further Allotment	1	Allotment of 250 Equity Shares to C. V. S Sundaresan.	2,250	225,000
October 28, 1985(1)(2)	270	100	100	Cash	Further Allotment	4	Allotment of 100 Equity Shares to A.T. Harinath, 70 Equity Shares to Narendra Kumar Garg, 50 Equity Shares to N.S. Gopalakrishnan, 50 Equity Shares to G.G. Trasi.	2,520	252,000

Date of Allotment of Equity Shares	*Number of Equity Share*	*Face Value per Equity Share (₹)*	*Issue Price per Equity Share (₹)*	*Nature of Consideration (Cash/Other than Cash)*	*Reason/ Nature of Allotment*	*Number of Allottees*	*List of Allottees*	*Cumulative Number of Equity Shares*	*Cumulative Equity Share Capital (₹)*
September 17, 1987(1)(2)	1,000	100	100	Cash	Rights Issue	4	Allotment of 250 Equity Shares to N.S. Gopalakrishnan, 250 Equity Shares to Narendra Kumar Garg, 250 Equity Shares to G.G. Trasi, 250 Equity Shares to A.T. Harinath.	3,520	352,000
January 21, 1989(2)	600	100	100	Cash	Rights Issue	3	Allotment of 200 Equity Shares to Narendra Kumar Garg, 200 Equity Shares to A.T. Harinath, 200 Equity Shares to N.S. Gopalakrishnan.	4,120	412,000
September 04, 1989(2)(5)	300	100	100	Cash	Rights Issue	3	Allotment of 100 Equity Shares to N.S. Gopalakrishnan, 100 Equity Shares to Narendra Kumar Garg, 100 Equity Shares to A.T. Harinath.	4,420	442,000
February 06, 1991(1)(2)(3)	2,085	100	-	Other than Cash	Bonus Issue in the ratio of 1:2 (one for every two equity shares held) (7)	3	Allotment of 697 Equity Shares to N.S. Gopalakrishnan, 694 Equity Shares to Narendra Kumar Garg, 694 Equity Shares to A.T. Harinath.	6,505	650,500
February 06, 1991(1)(2)	1,300	100	100	Cash	Rights Issue	3	Allotment of 500 Equity Shares to N.S. Gopalakrishnan, 500 Equity Shares to N.K Garg, 300 Equity Shares to A.T Harinath.	7,805	780,500
March 27, 1992(1)(2)	1,150	100	100	Cash	Rights Issue	3	Allotment of 500 Equity Shares to N.K Garg, 500 Equity Shares to N.S. Gopalakrishnan, 150 Equity Shares to A.T Harinath.	8,955	895,500
March 27, 1992(1)(2)	3,450	100	100	Cash	Further Allotment	11	Allotment of 100 Equity Shares to Diffusion Super-Conditioning Services Private Limited, 500 Equity Shares to N. K. Garg HUF, 250 Equity Shares to Avtar Singh Bumrah, 250 Equity Shares to V. K. Bahl jointly with Asha Bahl, 250 Equity Shares to Jayanta Bose, 250 Equity Shares to Chitra Garg, 250 Equity Shares to Dilip Sundar, 250 Equity Shares to Tara Gopalkrishnan, 250 Equity Shares to	12,405	1,240,500

Date of Allotment of Equity Shares	***Number of Equity Share***	***Face Value per Equity Share (₹)***	***Issue Price per Equity Share (₹)***	***Nature of Consideration (Cash/Other than Cash)***	***Reason/ Nature of Allotment***	***Number of Allottees***	***List of Allottees***	***Cumulative Number of Equity Shares***	***Cumulative Equity Share Capital (₹)***
							Saraswathi Gopalkrishnan, 100 Equity Shares to V. V. Balaji, 100 Equity Shares to Sunil Puniyani.		
March 27, 1992(1)(2)	1,170	100	125	Cash	Further Allotment	13	Allotment of 300 Equity Shares to Rajesh Shah jointly with Poonam Shah, 200 Equity Shares to S Venkatramani, 140 Equity Shares to Gautam Desai, 100 Equity Shares to Neeraj Sabharwal, 100 Equity Shares to Deepak Sabharwal jointly with Amita Sabharwal, 80 Equity Shares to Krishnasamy, 50 Equity Shares to K Subrahmania, 40 Equity Shares to G Venkatramani, 40 Equity Shares to Kavita Shanbagh, 40 Equity Shares to Vijaya Randhir, 40 Equity Shares to Ajay Patki jointly with Amita Ajay Patki, 20 Equity Shares to R J Gohokar, 20 Equity Shares to B K Gohokar.	13,575	1,357,500
March 31, 1992(1)(2)(3)(4)	3,022	100	-	Other than Cash	Bonus Issue in the ratio of 2:5 (two equity shares for every five equity shares held) (8)	3	Allotment of 1036 Equity Shares to N.S. Gopalakrishnan, 1033 Equity Shares to N.K Garg, 953 Equity Shares to A.T Harinath.	16,597	1,659,700
April 21, 1992(1)(2)(3)	125	100	-	Other than Cash	Bonus Shares in the ratio of 1:2 (one for every two equity shares held)	1	Allotment of 125 Equity Shares to Vidhya Nathan.	16,722	1,672,200
April 21, 1992(1)(2)(3)	150	100	-	Other than Cash	Bonus Shares in the ratio of 2:5 (two equity shares for every five equity shares held	1	Allotment of 150 Equity Shares to Vidhya Nathan	16,872	1,687,200

Date of Allotment of Equity Shares	***Number of Equity Share***	***Face Value per Equity Share (₹)***	***Issue Price per Equity Share (₹)***	***Nature of Consideration (Cash/Other than Cash)***	***Reason/ Nature of Allotment***	***Number of Allottees***	***List of Allottees***	***Cumulative Number of Equity Shares***	***Cumulative Equity Share Capital (₹)***
March 31, 1993(1)(2)	680	100	100	Cash	Further Allotment	2	Allotment of 340 Equity Shares to Chitra Garg – 340, 340 Equity Shares to Saraswathi Gopalkrishnan	17,552	1,755,200
August 12, 1993(1)(2)	17,552	100	-	Other than Cash	Bonus Issue in the ratio of 1:1 (one equity share for every one equity share held) (9)	26	Allotment of 4,187 Equity Shares to N. S. Gopalkrishnan, 4,176 Equity Shares to N. K. Garg, 3,484 Equity Shares to A.T. Harinath, 1,000 Equity Shares to Diffusion Super Conditioning Services Private Limited, 590 Equity Shares to Chitra Garg, 590 Equity Shares to Saraswathi G, 525 Equity Shares to Vidhyanathan, 500 Equity Shares to N. K. Garg HUF, 300 Equity Shares to Rajesh Shah jointly with Poonam Shah, 250 Equity Shares to Dilip Sundar, 250 Equity Shares to Tara Gopalkrishna, 250 Equity Shares to Avtar Singh Bumrah, 250 Equity Shares to Vijay Bahl jointly with Asha Bahl, 250 Equity Shares to Jayanta Bose, 200 Equity Shares to S Venkatramani, 140 Equity Shares to Gautam Desai, 100 Equity Shares to Neeraj Sabharwal, 100 Equity Shares to V. V. Balaji, 100 Equity Shares to Sunil Puniyani, 100 Equity Shares to Deepak Sabharwal jointly with Amita Sabharwal, 50 Equity Shares to K Subrahmania, 40 Equity Shares to G Venkatramani, 40 Equity Shares to Vijaya Randhir, 40 Equity Shares to Ajay Patki jointly with Amita Patki, 20 Equity Shares to R J Gohokar, 20 Equity Shares to B K Gohokar.	35,104	3,510,400
September 20, 1994[(1)(2)]	17,552	100	-	Other than Cash	Bonus Issue in the ratio of 1:2 (one equity share for every two equity share held)(10)	26	Allotment of 4,187 Equity Shares to N. S. Gopalkrishnan, 4,176 Equity Shares to Narendra Kumar Garg, 3,484 Equity Shares to A.T. Harinath, 1,000 Equity Shares to Diffusion Super Conditioning Services Private Limited, 590 Equity Shares to Chitra Garg, 590 Equity Shares to Saraswathi Gopalkrishnan, 525 Equity Shares to Vidhya Nathan,	52,656	5,265,600

Date of Allotment of Equity Shares	Number of Equity Share	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/Other than Cash)	Reason/ Nature of Allotment	Number of Allottees	List of Allottees	Cumulative Number of Equity Shares	Cumulative Equity Share Capital (₹)
							500 Equity Shares to N.K. Garg HUF, 300 Equity Shares to Rajesh Shah jointly with Poonam Shah, 250 Equity Shares to Dilip Sundar, 250 Equity Shares to Tara Gopalkrishna, 250 Equity Shares to Avtar Singh Bumrah, 250 Equity Shares to Vijay Bahl jointly with Asha Bahl, 250 Equity Shares to Jayanta Bose, 200 Equity Shares to S. Venkatramani, 140 Equity Shares to Gautam Desai, 100 Equity Shares to Neeraj Sabharwal, 100 Equity Shares to V. V. Balaji, 100 Equity Shares to Sunil Puniyani, 100 Equity Shares to Deepak Sabharwal jointly with Amita Sabharwal, 50 Equity Shares to K Subrahmania, 40 Equity Shares to G Venkatramani, 40 Equity Shares to Vijaya Randhir, 40 Equity Shares to Ajay Patki jointly with Amita Patki, 20 Equity Shares to R J Gohokar, 20 Equity Shares to B K Gohokar.		
November 18, 1994	Pursuant to the resolution passed by our Shareholders on November 18, 1994, the Equity Shares of our Company of the face value ₹100 each were sub-divided into Equity Shares of face value ₹10 each.							526,560	5,265,600
February 22, 1995[(1)(2)]	326,556	10	10	Refer Note A below	Further Allotment	2	Allotment of 163,278 Equity Shares to Chitra Garg, 163,278 Equity Shares to Saraswathi Gopalkrishnan	853,116	8,531,160
March 18, 1995(2)	208,060	10	15	Cash	Further Allotment	67	Allotment of 25,000 Equity Shares to P K Subranmanyam, 25,000 Equity Shares to Securities Capital Investments [I] Ltd, 20,000 Equity Shares to Ravi Krishnan, 10,000 Equity Shares to C Amudhan, 8,720 Equity Shares to Narendra Kumar Garg, 8,390 Equity Shares to N. S. Gopalkrishnan, 8,000 Equity Shares to N. K. Garg HUF, 7,500 Equity Shares to Dilip Sundar, 7,500 Equity Shares to Tara Gopalkrishnan, 5,000 Equity Shares to Lalitha Radhakrishnan, 5,000 Equity Shares to Dr. Nitin Garg, 5,000 Equity Shares to Vandana Prashar,	1,061,176	10,611,760

Date of Allotment of Equity Shares	Number of Equity Share	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/Other than Cash)	Reason/ Nature of Allotment	Number of Allottees	List of Allottees	Cumulative Number of Equity Shares	Cumulative Equity Share Capital (₹)
							5,000 Equity Shares to Kiran Devi Garg jointly with Prashant Garg, 4,000 Equity Shares to Sunil Puniyani, 3,750 Equity Shares to S Venkatramani, 3,750 Equity Shares to Prema Ramani, 3,500 Equity Shares to Jayanta Bose, 3,000 Equity Shares to Pankaj Jain, 3,000 Equity Shares to Rajesh Shah jointly with Poonam Shah, 2,600 Equity Shares to Vijay Bahl jointly with Asha Bahl, 2,500 Equity Shares to Gautam Desai, 2,500 Equity Shares to S Sankaran, 2,500 Equity Shares to T Mukherjee 2,500 Equity Shares to P S Bedi, 2,100 Equity Shares to Neeraj Sabharwal, 2,100 Equity Shares to Deepak Sabharwal jointly with Amita Sabharwal, 2,000 Equity Shares to Avtar Bumrah, 2,000 Equity Shares to M Kumar, 1,600 Equity Shares to K Subrahmania, 1,000 Equity Shares to Rajani Amin, 1,000 Equity Shares to Nimesh Amin, 1,000 Equity Shares to P N Gupta, 1,000 Equity Shares to Chitra Chandrasekhar, 1,000 Equity Shares to Gowri Edbor, 1,000 Equity Shares to N S Swaminathan, 1,000 Equity Shares to Durgambal Sunder, 1,000 Equity Shares to M R Das, 1,000 Equity Shares to S K Das, 1,000 Equity Shares to S P Deshpande, 1,000 Equity Shares to Satya Priya Roy, 1,000 Equity Shares to R Raju Bhurat, 1,000 Equity Shares to C.K. Prashanth jointly with C. K. Shantha, 1,000 Equity Shares to Nitranjan Dhairyashil Rao Pawar, 1,000 Equity Shares to Sumant Kumar Gupta, 1,000 Equity Shares to Sanjeev Kumar Gupta, 1,000 Equity Shares to G Taquiddin, 1,000 Equity Shares to T R. Uttam Kumar jointly with Josemira K. Naroha, 700 Equity Shares to V Srinivasam, 500 Equity Shares to G Venkatramani, 500 Equity Shares to R J Gohokar, 500 Equity Shares to B K Gohokar, 500 Equity		

Date of Allotment of Equity Shares	Number of Equity Share	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/Other than Cash)	Reason/ Nature of Allotment	Number of Allottees	List of Allottees	Cumulative Number of Equity Shares	Cumulative Equity Share Capital (₹)
							Shares to R Mohan, 500 Equity Shares to Sudip Datta, 500 Equity Shares to Baban Wandhare, 500 Equity Shares to R. Nathani and Rajani Nathani, 500 Equity Shares to D. R Chaudhary, 250 Equity Shares to Sunil Chandani, 200 Equity Shares to Sudha V Raman, 200 Equity Shares to Kishore Bharadwaj 200 Equity Shares to P G Shrikanth, 200 Equity Shares to M Chandrashekara, 200 Equity Shares to K P Suresh, 200 Equity Shares to Mangalam Viswanathan, 100 Equity Shares to Uma Bhawkar, 100 Equity Shares to A R Tambe, 100 Equity Shares to P Satheesh, 100 Equity Shares to J Srinivasan.		
September 05, 1996(1)(2)	20,000	10	12	Cash	Preferential Allotment	2	Allotment of 10,000 Equity Shares to N.S. Gopalakrishnan, 10,000 Equity Shares to Narendra Kumar Garg.	1,081,176	10,811,760
March 26, 1997(1)(2)	623,700	10	30	Cash	Preferential Allotment	1	Allotment of 623,700 Equity Shares to Nandi Investments Limited.	1,704,876	17,048,760
July 08, 1997(1)(2)	364,737	10	30	Cash	Preferential Allotment	1	Allotment of 364,737 Equity Shares to Corodur Verschleiss-Schutz GmbH.	2,069,613	20,696,130
July 19, 2001	(472,150)	10	35.62	Cash	Buy-back	8	Buy-back of 466,000 Equity Shares from Nandi Investment Limited, 2,000 Equity Shares from M Kumar, 1,700 Equity Shares from G Venkatramani, 1,000 Equity Shares from Sohan Goel, 1,000 Equity Shares from R Raju Bharat, 250 Equity Shares from Sunil Chandani, 100 Equity Shares from A R Tambe, 100 Equity Shares from J Srinivasan.	1,597,463	15,974,630
November 09, 2003(5)	399,368	10	-	Other than Cash	Bonus Issue in the ratio of 1:4 (one equity share for	81	Allotment of 125,029 Equity Shares to Manfred Kluge, 117,488 Equity Shares to Narendra Kumar Garg, 78,480 Equity Shares to Chitra Garg, 25,233 Equity Shares to N.K. Garg HUF, 6,250 Equity	1,996,831	19,968,310

Date of Allotment of Equity Shares	*Number of Equity Share*	*Face Value per Equity Share (₹)*	*Issue Price per Equity Share (₹)*	*Nature of Consideration (Cash/Other than Cash)*	*Reason/ Nature of Allotment*	*Number of Allottees*	*List of Allottees*	*Cumulative Number of Equity Shares*	*Cumulative Equity Share Capital (₹)*
					every four equity share held) (11)		Shares to Dr. Nitin Garg jointly with Dr. Renuka Garg, 5,775 Equity Shares to Dr. Nitin Garg, 5,025 Equity Shares to Vijay Bahl jointly with Asha Bahl, 3,938 Equity Shares to Vidhya Nathan, 3,750 Equity Shares to Rajesh Shah jointly with Poonam Shah, 2,750 Equity Shares to Jayanta Bose, 1,875 Equity Shares to Prashant Garg, 1,675 Equity Shares to Gautam Desai, 1,275 Equity Shares to Deepak Sabharwal jointly with Amita Sabharwal, 1,275 Equity Shares to Neeraj Sabharwal, 1,250 Equity Shares to Sushil Punyani, 1,250 Equity Shares to Devendra Prashar jointly with Adesh Prashar, 1,250 Equity Shares to Amit Prashar and Devender Prashar, 1,000 Equity Shares to Nikunj Shah, 750 Equity Shares to Pankaj Jain, 750 Equity Shares to V.V. Balaji, 500 Equity Shares to S.P. Deshpande, 500 Equity Shares to Rajani Nathani, 500 Equity Shares to Bishwa Nath Kedia jointly with Govind Dev Kedia, 500 Equity Shares to Ashok Mundhada, 500 Equity Shares to P.K. Gupta, 400 Equity Shares to Chitra Chandrashekhar 375 Equity Shares to Samishtha Gupta, 300 Equity Shares to D.R. Choudhary, 300 Equity Shares to Vijaya Randhir, 275 Equity Shares to B.K. Gohokar, 275 Equity Shares to R. J. Gohokar, 250 Equity Shares to Prem Dayal Gupta, 250 Equity Shares to M.R. Das, 250 Equity Shares to Nitranjan Pawar, 250 Equity Shares to Satya Priya Roy, 250 Equity Shares to C. K. Prashanth and C. K. Shantha, 250 Equity Shares to Manisha Belani jointly with Kalpesh Belani, 250 Equity Shares to Gomti Kataria jointly with Rajani Gori and Vikram Gori, 250 Equity Shares to Savita Mundhada, 250 Equity Shares to Pramod Jadhav, 250 Equity Shares to S.K. Das, 250 Equity Shares to		

Date of Allotment of Equity Shares	*Number of Equity Share*	*Face Value per Equity Share (₹)*	*Issue Price per Equity Share (₹)*	*Nature of Consideration (Cash/Other than Cash)*	*Reason/ Nature of Allotment*	*Number of Allottees*	*List of Allottees*	*Cumulative Number of Equity Shares*	*Cumulative Equity Share Capital (₹)*
							Anant Singhal, 250 Equity Shares to T.R. Uttam Kumar jointly with Josemira K. Naroha, 250 Equity Shares to Kalpana Bhuta jointly with Pankaj Bhuta, 250 Equity Shares to Pranav Bhuta jointly with Kalpana Bhuta and Pankaj Bhuta, 250 Equity Shares to Jayawant K. Gohokar, 250 Equity Shares to Fattechand Avadhiya, 250 Equity Shares to Lalit Surendra Khullar, 250 Equity Shares to Rita S. Gupta and Sanjeev Kumar, 250 Equity Shares to Rajesh Sanikop, 250 Equity Shares to P.N. Gupta, 250 Equity Shares to Rajani A. Amin, 250 Equity Shares to Nimeshkumar A. Amin, 250 Equity Shares to G. Taquiddin, 250 Equity Shares to Sanjeev Kumar Gupta, 250 Equity Shares to Vedprakash Madan, 250 Equity Shares to Vimlawanti Madan, 250 Equity Shares to Abhay Garg, 250 Equity Shares to C. P. Garg, 225 Equity Shares to M. S. Jauhal, 150 Equity Shares to K Subrahmania, 125 Equity Shares to A.V. Rama Rao, 125 Equity Shares to R. Nathani jointly with Rajani Nathani, 125 Equity Shares to Sudip Datta, 125 Equity Shares to Baban Wandhare, 125 Equity Shares to R. Mohan, 125 Equity Shares to Vijay M. Mundhada, 125 Equity Shares to Sanjay P. Rathi, 100 Equity Shares to Ajay Patki jointly with Amita Patki, 75 Equity Shares to Ajay Malvi, 75 Equity Shares to S. Chandrasekaran, 50 Equity Shares to M. V. Joglekar, 50 Equity Shares to M. Chandrashekar, 50 Equity Shares to Rakesh Malvi, 50 Equity Shares to Kishore Bharadwaj, 50 Equity Shares to K. P. Suresh, 25 Equity Shares to Vivek Chowfule jointly with Vinayak Ganpatrao Chowfule, 25 Equity Shares to Ravindra Gharote, 25 Equity Shares to Uma Sunil Bhawkar, 25 Equity		

Date of Allotment of Equity Shares	*Number of Equity Share*	*Face Value per Equity Share (₹)*	*Issue Price per Equity Share (₹)*	*Nature of Consideration (Cash/Other than Cash)*	*Reason/ Nature of Allotment*	*Number of Allottees*	*List of Allottees*	*Cumulative Number of Equity Shares*	*Cumulative Equity Share Capital (₹)*
							Shares to P. Satheesh, 25 Equity Shares to Harish P. Ledwani.		
December 22, 2005(2)	199,683	10	40	Cash	Rights Issue	56	Allotment of 63,831 Equity Shares to Narendra Kumar Garg, 39,240 Equity Shares to Chitra Garg, 32,514 Equity Shares to Marion Busch, 30,000 Equity Shares to Stefannie Kummerow, 12,750 Equity Shares to N.K. Garg HUF, 3,200 Equity Shares to Dr. Nitin Garg & Dr. Renuka Garg, 3,000 Equity Shares to Dr. Nitin Garg, 2,688 Equity Shares to Vijay Bahl jointly with Mrs Asha Bahl, 1,875 Equity Shares to Rajesh Shah jointly with Poonam Shah, 1,629 Equity Shares to Prashant Garg, 896 Equity Shares to Alok Desai, 682 Equity Shares to Neeraj Sabharwal, 682 Equity Shares to Amita Sabharwal jointly with Deepak Sabharwal, 625 Equity Shares to Amit Prashar jointly with Devender Prashar, 625 Equity Shares to Devender Prashar jointly with Adesh Prashar, 500 Equity Shares to Nikunj Shah, 401 Equity Shares to V.V. Balaji, 375 Equity Shares to Pankaj Jain, 276 Equity Shares to R. J. Gohokar, 250 Equity Shares to S. P. Deshpande, 250 Equity Shares to Rajani Nathani, 250 Equity Shares to Ashok Mundhada, 214 Equity Shares to Chitra Chandrashekhar, 188 Equity Shares to Samishtha P. Gupta, 150 Equity Shares to D. Roychoudhary, 150 Equity Shares to Vijaya Randhir, 134 Equity Shares to Prem Dayal Gupta, 134 Equity Shares to S.K. Das, 134 Equity Shares to Rajesh Sanikop, 134 Equity Shares to C. K. Prashanth and C. K. Shantha, 125 Equity Shares to Nitranjan Dhairyashil Rao Pawar, 125 Equity Shares to Satya Priya Roy, 125 Equity Shares to Manisha Belani jointly with Kalpesh Belani, 125 Equity Shares to Savita Mundhada, 125 Equity Shares to Kalpana Bhuta jointly with Pankaj Bhuta, 125 Equity	2,196,514	21,965,140

Date of Allotment of Equity Shares	***Number of Equity Share***	***Face Value per Equity Share (₹)***	***Issue Price per Equity Share (₹)***	***Nature of Consideration (Cash/Other than Cash)***	***Reason/ Nature of Allotment***	***Number of Allottees***	***List of Allottees***	***Cumulative Number of Equity Shares***	***Cumulative Equity Share Capital (₹)***
							Shares to Pranav Bhuta jointly with Kalpana Bhuta and Pankaj Bhuta, 125 Equity Shares to Jayawant Gohokar, 125 Equity Shares to Rita Gupta jointly with Sanjeev Kumar, 125 Equity Shares to P.N. Gupta, 125 Equity Shares to Sanjeev Gupta, 80 Equity Shares to H. V. Shantharam, 66 Equity Shares to Baban Wandhare, 66 Equity Shares to R. Mohan, 66 Equity Shares to Vijay Mundhada, 66 Equity Shares to Sanjay P. Rathi, 62 Equity Shares to R. Nathani jointly with Rajani Nathani, 54 Equity Shares to Ajay Patki jointly with Amita Patki, 39 Equity Shares to S. Chandrasekharan, 27 Equity Shares to Mahesh Joglekar, 27 Equity Shares to M. Chandrashekara, 27 Equity Shares to Rakesh Malvi, 25 Equity Shares to Ajay Malvi, 13 Equity Shares to Vivek Chowfule jointly with Vinayak Chowfule, 13 Equity Shares to Ravindra Gharote, 13 Equity Shares to Harish Ledwani, 12 Equity Shares to Uma Bhawkar.		
November 22, 2006(2)	549,128	10	-	Other than Cash	Bonus Issue in the ratio of 1:4 (one equity share for every one equity share held) (12)	84	Allotment of 162,818 Equity Shares to N. K. Garg, 156,286 Equity Shares to Manfred Kluge, 107,910 Equity Shares to Chitra Garg, 34,729 Equity Shares to N. K. Garg HUF, 8,613 Equity Shares to Dr. Nitin Garg jointly with Dr. Renuka Garg, 8,129 Equity Shares to Marion Busch 7,969 Equity Shares to Dr. Nitin Garg, 7,500 Equity Shares to Stefannie Kummerow, 6,953 Equity Shares to Vijay Bahl jointly with Asha Bahl, 5,156 Equity Shares to Rajesh Shah jointly with Poonam Shah, 4,922 Equity Shares to Vidhya Nathan, 3,438 Equity Shares to Jayanta Bose, 2,751 Equity Shares to Prashant Garg, 2,318 Equity Shares to Alok Desai, 1,764 Equity Shares to Neeraj Sabharwal, 1,718 Equity Shares to Devendra Prashar jointly with Adesh Prashar, 1,718 Equity Shares to Amit Prashar jointly with Devender	2,745,642	27,456,420

Date of Allotment of Equity Shares	*Number of Equity Share*	*Face Value per Equity Share (₹)*	*Issue Price per Equity Share (₹)*	*Nature of Consideration (Cash/Other than Cash)*	*Reason/ Nature of Allotment*	*Number of Allottees*	*List of Allottees*	*Cumulative Number of Equity Shares*	*Cumulative Equity Share Capital (₹)*
							Prashar, 1,594 Equity Shares to Deepak Sabharwal jointly with Amita Sabharwal, 1,562 Equity Shares to Sunil Puniyani, 1,375 Equity Shares to Nickunj Shah, 1,038 Equity Shares to V. V. Balaji, 1,032 Equity Shares to Pankaj Jain, 688 Equity Shares to S P Deshpande, 688 Equity Shares to Rajani Nathani, 688 Equity Shares to Ashok Mundhada, 625 Equity Shares to P K Gupta, 625 Equity Shares to Bishwa Kedia jointly with Govind Kedia, 554 Equity Shares to Chitra Chandrasekhar, 515 Equity Shares to Samishtha Gupta, 413 Equity Shares to Vijaya Randhir, 413 Equity Shares to D. R Chaudhary, 412 Equity Shares to R J Gohokar, 346 Equity Shares to S. K. Das, 346 Equity Shares to C. K. Prashanth jointly with C. K. Shantha, 346 Equity Shares to Prem Dayal Gupta, 346 Equity Shares to Rajesh Sanikop, 344 Equity Shares to Satya Priya Roy, 344 Equity Shares to Nitranjan Pawar, 344 Equity Shares to Sanjeev Gupta, 344 Equity Shares to Savita Mundhada, 343 Equity Shares to B K Gohokar, 343 Equity Shares to P N Gupta, 343 Equity Shares to Jayawant Gohokar, 343 Equity Shares to Rita S. Gupta jointly with Sanjeev Kumar Gupta, 343 Equity Shares to Kalpana Bhuta jointly with Pankaj Bhuta, 343 Equity Shares to Pranav Bhuta jointly with Kalpana Bhuta & Pankaj Bhuta, 343 Equity Shares to Manisha Belani jointly with Kalpesh Belani, 313 Equity Shares to Rajani Amin, 313 Equity Shares to Nimesh Amin, 313 Equity Shares to M. R. Das, 313 Equity Shares to Pramod Jadhav, 313 Equity Shares to Vedprakash Madan, 313 Equity Shares to Vimlawanti Madan, 313 Equity Shares to Abhay Garg, 313 Equity Shares to C. P. Garg, 312 Equity Shares to Anant Singhal, 312 Equity Shares to Fattechand Avadhiya, 312 Equity Shares to Lalit Surendra Khullar, 312 Equity Shares to G Taquiddin,		

Date of Allotment of Equity Shares	*Number of Equity Share*	*Face Value per Equity Share (₹)*	*Issue Price per Equity Share (₹)*	*Nature of Consideration (Cash/Other than Cash)*	*Reason/ Nature of Allotment*	*Number of Allottees*	*List of Allottees*	*Cumulative Number of Equity Shares*	*Cumulative Equity Share Capital (₹)*
							312 Equity Shares to Gomti Dhanji Kataria jointly with Rajani Mahesh Gori and Vikram Mahesh Gori, 312 Equity Shares to T R. Uttam Kumar jointly with Josemira K. Naroha, 281 Equity Shares to M.S Jauhal, 208 Equity Shares to H V Shantharam, 172 Equity Shares to R Mohan, 172 Equity Shares to Baban Wandhare, 172 Equity Shares to Vijay Mundhada, 172 Equity Shares to Sanjay Rathi, 172 Equity Shares to R. Nathani jointly with Rajani Nathani, 171 Equity Shares to Amita Sabharwal jointly with Deepak Sabharwal, 156 Equity Shares to Sudip Datta, 156 Equity Shares to A V Rama Rao, 139 Equity Shares to Ajay Patki jointly with Amita Patki, 104 Equity Shares to S Chandrasekaran, 100 Equity Shares to Ajay Malvi, 69 Equity Shares to M Chandrashekara, 69 Equity Shares to M. V. Joglekar, 69 Equity Shares to Rakesh Malvi, 63 Equity Shares to K P Suresh, 62 Equity Shares to Kishore Bharadwaj, 35 Equity Shares to Ravindra Gharote, 35 Equity Shares to Harish Ledwani, 35 Equity Shares to Vivek Chowfule Vinayak Chowfule, 34 Equity Shares to Uma Sunil Bhawkar, 31 Equity Shares to P Satheesh.		
December 22, 2007(2)	343,205	10	40	Cash	Rights Issue	60	Allotment of 165,000 Equity Shares to Narendra Kumar Garg, 87,444 Equity Shares to Chitra Garg, 27,000 Equity Shares to N.K. Garg HUF, 8,044 Equity Shares to Nickunj Shah, 7,000 Equity Shares to V. K. Bahl jointly with Asha Bahl, 6,500 Equity Shares to Rajesh Shah jointly with Poonam R. Shah, 6,000 Equity Shares to Dr. Nitin Garg & Dr. Renuka Garg, 6,000 Equity Shares to Dr. Nitin Garg, 6,000 Equity Shares to Prashant Garg, 5,216 Equity Shares to Rajesh Sanikop, 1,649 Equity Shares to Alok Gautam Desai, 1,147 Equity Shares to Amita Sabharwal jointly with Deepak Sabharwal, 1,110	3,088,847	30,888,470

Date of Allotment of Equity Shares	Number of Equity Share	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/Other than Cash)	Reason/ Nature of Allotment	Number of Allottees	List of Allottees	Cumulative Number of Equity Shares	Cumulative Equity Share Capital (₹)
							Equity Shares to Neeraj Sabharwaj, 1,074 Equity Shares to Amit Prashar jointly with Devender Prashar, 1,074 Equity Shares to Devender Prashar jointly with Adesh Prashar, 1,000 Equity Shares to Veenu Sushil Punyani, 759 Equity Shares to S.P. Deshpande, 759 Equity Shares to Ashok Mundhada, 649 Equity Shares to V. V. Balaji, 645 Equity Shares to Pankaj Jain, 455 Equity Shares to R. J. Gohokar, 437 Equity Shares to Vijaya Randhir, 400 Equity Shares to Bishwa Kedia jointly with Govind Dev Kedia, 391 Equity Shares to Pramod Kumar Gupta, 379 Equity Shares to Nitranjan Dhairyashil Rao Pawar, 379 Equity Shares to Savita Mundhada, 379 Equity Shares to Jayawant K. Gohokar, 371 Equity Shares to Chitra Chandrashekhar, 344 Equity Shares to C.P. Garg, 322 Equity Shares to Samishtha Gupta, 300 Equity Shares to C. K. Prashanth jointly with C. K. Shantha, 300 Equity Shares to Manisha Belani jointly with Kalpesh Belani, 300 Equity Shares to Kalpana Bhuta jointly with Pankaj Bhuta, 300 Equity Shares to Pranav Bhuta jointly with Kalpana Bhuta and Pankaj Bhuta, 270 Equity Shares to Prem Dayal Gupta, 258 Equity Shares to D.R. Choudhary, 240 Equity Shares to P.N. Gupta, 237 Equity Shares to Rajani Amin, 237 Equity Shares to Nimesh Amin, 215 Equity Shares to Satya Priya Roy, 215 Equity Shares to Rita Gupta jointly with Sanjeev Kumar Gupta, 215 Equity Shares to Sanjeev Kumar Gupta, 195 Equity Shares to Pramod Jadhav, 195 Equity Shares to Anant Singhal, 195 Equity Shares to Fattechand Avadhiya, 195 Equity Shares to Vedprakash Madan, 195 Equity Shares to Manas Ranjan Das, 190 Equity Shares to Baban Wandhare, 190 Equity Shares to Vijay Mundhada, 190 Equity Shares to Sanjay P. Rathi, 152 Equity Shares to Ajay Patki jointly with Amita Ajay Patki, 107 Equity		

Date of Allotment of Equity Shares	Number of Equity Share	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/Other than Cash)	Reason/ Nature of Allotment	Number of Allottees	List of Allottees	Cumulative Number of Equity Shares	Cumulative Equity Share Capital (₹)
							Shares to R. Mohan, 77 Equity Shares to Vivek Chowfule jointly with Vinayak Chawfule, 76 Equity Shares to M. Chandrashekara, 65 Equity Shares to S. Chandrasekaran, 54 Equity Shares to M. V. Joglekar, 38 Equity Shares to Harish Ledwani, 37 Equity Shares to Uma Bhawkar, 27 Equity Shares to Ravindra Gharote, 13 Equity Shares to Bussa Rama Krishna.		
August 11, 2008(2)#	30,850	10	40	Cash	Sweat Equity	57	Allotment of 14,000 Equity Shares to Prashant Garg, 10,000 Equity Shares to Narendra Kumar Garg, 300 Equity Shares to Prabir Singha jointly with Shampa Singha, 300 Equity Shares to N. Chandrashekhar jointly with S. Ushadevi, 300 Equity Shares to Anuj Goel jointly with Nidhi Goel, 300 Equity Shares to Vivek Kulkarni jointly with Vasudha Kulkarni, 250 Equity Shares to D.R. Choudhary, 250 Equity Shares to Chitra Chandrashekhar, 250 Equity Shares to Bandu Pund jointly with Shobha Pund, 250 Equity Shares to Sameer Khaladkar jointly with Pratiksha Khaladkar, 250 Equity Shares to Sheetal Batra, 200 Equity Shares to Ajay Malvi, 200 Equity Shares to Tupendra Daharwal jointly with Rajkumari Daharwal, 200 Equity Shares to Sunil Khatke jointly with Manisha Khatke, 200 Equity Shares to Anindya Chakraborty, 200 Equity Shares to Kalpana Phalak jointly with Jagdish Phalak, 150 Equity Shares to Vivek Chawfule jointly with Vinayak Chawfule, 150 Equity Shares to Ravindra Gharote, 100 Equity Shares to Rama Yadav, 100 Equity Shares to Pundlik Fulzele, 100 Equity Shares to Bijaya Pradhan jointly with Rashmini Pradhan, 100 Equity Shares to Anup Choudhari jointly with Shilpa Choudhari, 100 Equity Shares to Sumitra Bose jointly with Sumit Bose, 100 Equity Shares to Manoj Pannase, 100 Equity Shares to Manoj Panurkar, 100 Equity Shares to Liladhar	3,119,697	31,196,970

Date of Allotment of Equity Shares	***Number of Equity Share***	***Face Value per Equity Share (₹)***	***Issue Price per Equity Share (₹)***	***Nature of Consideration (Cash/Other than Cash)***	***Reason/ Nature of Allotment***	***Number of Allottees***	***List of Allottees***	***Cumulative Number of Equity Shares***	***Cumulative Equity Share Capital (₹)***
							Patle jointly with Aashu Patle, 100 Equity Shares to Tapas Kumar Dutta, 100 Equity Shares to Deepak Deshpande, 100 Equity Shares to Sachin Malao jointly with Anjali Malao, 100 Equity Shares to Gajanan Padole jointly with Smita Padole, 100 Equity Shares to Mohan Samaji jointly with Sheetal Samaji, 100 Equity Shares to M.C. Lakshminarayanan, 100 Equity Shares to Ratnesh Bhatt jointly with Renu Bhatt, 100 Equity Shares to Rahul Jahagirdar, 100 Equity Shares to Sidheshwar Ghosh jointly with Mousumi Ghosh, 100 Equity Shares to Subrata Banerjee jointly with Ruma Banerjee, 100 Equity Shares to Ajay Urkude jointly with Pravina Urkude, 100 Equity Shares to Hotchand Kriplani, 100 Equity Shares to Mahesh Kabade jointly with Sonabai Kabade, 100 Equity Shares to Sudhir Lanjewar jointly with Shalini Lanjewar, 100 Equity Shares to Gopal Prasad, 50 Equity Shares to Ajay Awazade, 50 Equity Shares to Manohar Rahangdale, 50 Equity Shares to Sudhir Bawane jointly with Surekha Bawane, 50 Equity Shares to Ramesh Bagde jointly with Salita Bagde, 50 Equity Shares to Bhaudas Lokhande jointly with Sunita Lokhande, 50 Equity Shares to Deepak Patle jointly with Savita Patle, 50 Equity Shares to Vijay Mahalle jointly with Madhuri Mahalle, 50 Equity Shares to Dnyanashawar Pande jointly with Pushpa Pande, 50 Equity Shares to Shankpal B. Punde jointly with Sunita Punde, 50 Equity Shares to Sachin Nighade jointly with Rajni Nighade, 50 Equity Shares to Sanjay Moon, 50 Equity Shares to Zinku Singh jointly with Shubhavati Singh, 50 Equity Shares to Ishwar Bhande jointly with Madhuri Bhande, 50 Equity Shares to P.R. Meshram, 50 Equity Shares to Sunil Deo, 50 Equity Shares to Raju Bhagat.		

Date of Allotment of Equity Shares	Number of Equity Share	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/Other than Cash)	Reason/ Nature of Allotment	Number of Allottees	List of Allottees	Cumulative Number of Equity Shares	Cumulative Equity Share Capital (₹)
November 17, 2008(4)	617,770	10	-	Other than Cash	Bonus Issue in the ratio of 1:5 (one equity share for every five equity share held) (13)	85	Allotment of 195,817 Equity Shares to Narendra Kumar Garg, 156,286 Equity Shares to Manfred Kluge, 125,398 Equity Shares to Chitra Garg, 40,128 Equity Shares to N.K. Garg HUF, 9,813 Equity Shares to Dr. Nitin Garg jointly with Dr. Renuka Garg, 9,169 Equity Shares to Dr. Nitin Garg, 8,353 Equity Shares to Vijay Bahl jointly with Asha Bahl, 8,129 Equity Shares to Marion Busch, 7,500 Equity Shares to Stefanie Kummerow, 6,356 Equity Shares to Rajesh Shah jointly with Poonam Shah, 4,922 Equity Shares to Vidya Nathan, 4,710 Equity Shares to Prashant Garg, 3,438 Equity Shares to Jayanta Bose, 2,984 Equity Shares to Nickunj Shah, 2,648 Equity Shares to Alok Desai, 1,986 Equity Shares to Neeraj Sabharwal, 1,933 Equity Shares to Amit Prashar jointly with Devender Prashar, 1,933 Equity Shares to Devender Prashar jointly with Adesh Prashar, 1,594 Equity Shares to Deepak Sabharwal jointly with Amita Sabharwal, 1,562 Equity Shares to Sushil Punyani, 1,389 Equity Shares to Rajesh Sanikop, 1,168 Equity Shares to V. V. Balaji, 1,160 Equity Shares to Pankaj Jain, 839 Equity Shares to S. P. Deshpande, 839 Equity Shares to Ashok Mundhada, 705 Equity Shares to Bishwa Kedia jointly with Govind Kedia, 703 Equity Shares to P. K. Gupta, 668 Equity Shares to Chitra Chandrashekhar, 580 Equity Shares to Samishtha Gupta, 504 Equity Shares to R.J. Gohokar, 500 Equity Shares to Vijaya Randhir, 464 Equity Shares to D. R. Choudhary, 432 Equity Shares to P.N. Gupta, 420 Equity Shares to Nitranjan Awar, 420 Equity Shares to Savita Mundhada, 419 Equity Shares to Jayawant Gohokar, 406 Equity Shares to C.K. Prashanth jointly with C.K. Shantha, 404 Equity Shares to Manisha Belani jointly with Kalpesh Belani, 404 Equity Shares to Kalpana Bhuta	3,737,467	37,374,670

Date of Allotment of Equity Shares	***Number of Equity Share***	***Face Value per Equity Share (₹)***	***Issue Price per Equity Share (₹)***	***Nature of Consideration (Cash/Other than Cash)***	***Reason/ Nature of Allotment***	***Number of Allottees***	***List of Allottees***	***Cumulative Number of Equity Shares***	***Cumulative Equity Share Capital (₹)***
							jointly with Pankaj Bhuta, 404 Equity Shares to Pranav Bhuta jointly with Pankaj Bhuta & Kalpana Bhuta, 400 Equity Shares to Prem Dayal Gupta, 400 Equity Shares to Amita Sabharwal jointly with Deepak Sabharwal, 387 Equity Shares to Satya Priya Roy, 387 Equity Shares to Rita Gupta Sanjeev Gupta, 387 Equity Shares to Sanjeev Kumar Gupta, 381 Equity Shares to C.P. Garg, 360 Equity Shares to Rajani Amin, 360 Equity Shares to Nimesh Amin, 352 Equity Shares to Pramod Jadhav, 352 Equity Shares to Vedprakash Madan, 352 Equity Shares to M.R. Das, 351 Equity Shares to Anant Singhal, 351 Equity Shares to Fattechand Avadhiya, 346 Equity Shares to S.K. Das, 344 Equity Shares to B.K. Gohokar, 313 Equity Shares to Vimlawanti Madan, 313 Equity Shares to Abhay Garg, 312 Equity Shares to Gomti Kataria jointly with Rajani Gori & Vikram Gori, 312 Equity Shares to T. R. Uttam Kumar jointly with Josemira K. Narohna, 312 Equity Shares to Lalit Khullar, 312 Equity Shares to G. Taquiddin, 281 Equity Shares to M.S. Jauhal, 211 Equity Shares to Baban Wandhare, 211 Equity Shares to Vijay M. Mundhada, 211 Equity Shares to Sanjay P. Rathi, 208 Equity Shares to H. V. Shantharam, 200 Equity Shares to Veenu Sushil Punyani, 194 Equity Shares to R. Mohan, 169 Equity Shares to Ajay Patki jointly with Amita Patki, 156 Equity Shares to A.V. Rama Rao, 156 Equity Shares to Sudip Datta, 117 Equity Shares to S. Chandrasekaran, 100 Equity Shares to Ajay Malvi, 100 Equity Shares to Sunila Ledwani jointly with Harish Ledwani, 84 Equity Shares to M Chandrashekara, 80 Equity Shares to Vrushali Chowfule jointly with Vivek Chowfule, 69 Equity Shares to Rakesh Malvi, 62 Equity Shares to K. Bharadwaj, 62 Equity Shares to K. P. Suresh, 50 Equity Shares to Vivek Chowfule jointly with		

Date of Allotment of Equity Shares	Number of Equity Share	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/Other than Cash)	Reason/ Nature of Allotment	Number of Allottees	List of Allottees	Cumulative Number of Equity Shares	Cumulative Equity Share Capital (₹)
							Vinayak Chowfule, 42 Equity Shares to Uma Bhawkar, 42 Equity Shares to Harish Ledwani, 40 Equity Shares to Ravindra Gharote, 31 Equity Shares to P. Satheesh, 23 Equity Shares to Bussa Rama Krishna.		
October 11, 2023	265,570	10	762	Cash	Preferential Allotment	15	Allotment of 52,400 Equity Shares to Brijesh Parekh HUF[15], 52400 Equity Shares to Het Mehta, 52,400 Equity Shares to Yogesh Sanghavi[16], 39,370 Equity Shares to Ajay Sangani, 26,200 Equity Shares to Prashant Garg, 26,200 Equity Shares to Chitra Garg, 3,200 Equity Shares to Neelu Garg – 3200, 3,200 Equity Shares to Ajay Jain, 2,600 Equity Shares to Anubhav Garg, 2,200Equity Shares to Daksha Jain, 1,300 Equity Shares to Abhishek Mehta, 1,300 Equity Shares to Vinod Kukreja, 1,300 Equity Shares to Sarika Dhokne, 1,000 Equity Shares to Lata Kawade, 500 Equity Shares to Kriti Singhal.	4,003,037	40,030,370
November 29, 2023(6)	24,018,222	10	-	Other than Cash	Bonus Issue in the ratio of 6:1 (six equity shares for every one equity share held) 14)	32	Allotment of 8,896,758 Equity Shares to Prashant Garg, 5,893,932 Equity Shares to Dr. Nitin Garg, 5,255,118 Equity Shares to Chitra Garg, 1,787,382 Equity Shares to N. K. Garg HUF, 451,686 Equity Shares to Dr. Nitin Garg jointly with Dr. Renuka Garg, 314,400 Equity Shares to Brijesh Parekh HUF[15], 314,400 Equity Shares to Het Mehta, 314,400 Equity Shares to Yogesh Sanghavi[16], 236,220 Equity Shares to Ajay Sangani, 177,192 Equity Shares to Vidya Nathan, 95,316 Equity Shares to Alok Desai, 60,000 Equity Shares to Ajay Jain HUF, 56,184 Equity Shares to Prashant Garg jointly with Neelu Garg, 30,216 Equity Shares to Ashok Mundhada, 19,200 Equity Shares to Neelu Garg, 19,200 Equity Shares to Ajay Jain, 15,600 Equity Shares to Anubhav Garg, 14,400 Equity	28,021,259	280,212,590

Date of Allotment of Equity Shares	Number of Equity Share	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/Other than Cash)	Reason/ Nature of Allotment	Number of Allottees	List of Allottees	Cumulative Number of Equity Shares	Cumulative Equity Share Capital (₹)
							Shares to Daksha Jain, 11,244 Equity Shares to T. R. Uttam Kumar, 9,000 Equity Shares to Lata Kawade, 7,800 Equity Shares to Abhishek Mehta, 7,800 Equity Shares to Vinod Kukreja, 7,800 Equity Shares to Sarika Dhokne, 6,084 Equity Shares to Ajay Patki, 3,600 Equity Shares to Sunila Ledwani, 3,000 Equity Shares to Anita Vijayakar, 3,000 Equity Shares to Kriti Singhal, 2,250 Equity Shares to K. P. Suresh, 1,800 Equity Shares to Anuj Goel, 1,518 Equity Shares to Harish Ledwani, 1,122 Equity Shares to P. Satheesh, 600 Equity Shares to Mahesh Kabade.		

(1) Form 2 for the allotment is not traceable.

(2) We have placed reliance on the disclosures made in the financial statements and statutory registers, to ascertain the details of the issue of Equity Shares, the nature of allotment and the nature of consideration since data regarding allotment are neither available in the records of our Company, nor are they available in the records of the RoC. Our Company has relied on following certificates/ documentation:

Sr. No.	*Particulars*
1.	*Certificate issued by M/s. Madhav Kawade, Peer Reviewed Practicing Company Secretary, in the search report dated December 21, 2023*
2.	*Certificate on share capital build issued on April 17, 2024 by PGS & Associates, Chartered Accountants*

For further information, please refer to "Risk Factor no. 12– We have been unable to locate certain of our historical corporate records." Under section titled 'Risk Factors' on page 47.

**As per the minutes of the meeting of our Board held on August 12, 1983, equity shares of our Company were offered for subscription in the following manner:*

250 Equity Shares of ₹ 100/- each to S. R. Nathan, N. S. Gopalkrishnan, Narendra Kumar Garg, Raju Mirchandani and G. G. Trasi and 240 equity shares of ₹100/- each to Sanjeev Bhasker and A. A. Manek.

However, due to financial constraints, the shares have been subscribed by the proposed allottees in tranches and were allotted in the following manner:

(a) Board Meeting held on August 12, 1983 - Raju Mirchandani – 250, Sanjeev Bhaskar – 240, Ashwani Manek – 240, N.S. Gopalakrishnan – 180, S.R. Nathan – 150 and Narendra Kumar Garg – 150;

(b) Board Meeting held on March 02, 1985 – G.G. Trasi – 250, S.R. Nathan – 100 and Narendra Kumar Garg – 70;

(c) Board Meeting held on March 28, 1985 – N.S. Gopalakrishnan – 70 and Narendra Kumar Garg – 30.

[3] Allotment to Vijayalakshmi Nathan of 125 Equity Shares and 150 Equity Shares on February 06, 1991 and March 31, 1992, respectively, were kept in suspense account due to inability of our Company to contact her. Thereafter, her legal heir Vijaya Nathan approached our Company and the aforementioned Equity Shares i.e. 125 Equity Shares and 150 Equity Shares were allotted to her on April 21, 1992.

*[4] Issue of Equity Shares on these dates have been on selective basis and our Company is unable to trace waiver letters, if any issued by the shareholders to whom shares were not allotted pursuant to the Bonus issue. For further information, please refer to Risk Factor no. 12– We have been unable to locate certain of our historical corporate records.***"** *Under section titled 'Risk Factors' on page 47..*

*[5] Clerical error in Form 2 with respect to date of allotment. For details, see "Risk Factor no. 12– We have been unable to locate certain of our historical corporate records.***"** *Under section titled 'Risk Factors' on page 47.*

[6] As on April 19, 2024, 2,524 Equity Shares were held in physical form by five shareholders of our Company and hence 17,016 Equity Shares issued to such shareholders pursuant to a bonus issue has been credited to a separate demat which shall be credited on dematerialization of their existing shareholding. For details, see "Risk Factors no. 33 – As on date of this Prospectus, 2,424 Equity Shares are held in physical form by some of our Public Shareholders. Further, 16,416 Equity Shares issued to such Shareholders pursuant to the issue of bonus shares on November 29, 2023, have not been credited to their respective demat account.*" on page 64.*

***Note A** - 326,556 Equity Shares of our Company were allotted at par to Chitra Garg (163,278 equity shares) and Saraswati Gopalkrishnan (163,278 equity shares) against which the allottees have paid our Company ₹1,500,000/- each in cash and the balance consideration has been paid by way of transfer of 3,760 equity shares of Diffusion Super Conditioning Private Limited by the allottees in favour of our Company.*

 # Our Company has on August 11, 2008 made an allotment of 30,850 Equity Shares having face value of ₹10/- each at a price of ₹40/- each as sweat equity to 57 allottees ("said Allotment"). As the said Allotment may be construed to have not been in compliance with the Companies Act, 1956, a voluntary exit offer was provided to all eligible shareholders in compliance with SEBI circular dated December 31, 2015, as amended by circular dated May 3, 2016. The exit offer was made to the eligible shareholders at a price of Rs. 40/- per share along with 15% interest p.a. till payment. Pursuant to the exit offer, all the eligible shareholders had confirmed their intention not to apply for a refund and to remain members of the Company. Our Company had filed an adjudication application before the RoC on February 29, 2024, in relation to this sweat equity allotment. For further details, see "*Risk Factor 8 – Our Company had made allotment of equity shares in the past which was allotted to more than 49 investors, which may have been in non-compliance with the Companies Act, 1956.*" *and for further details, see "Outstanding Litigation and Other Material Developments – Litigation involving our Company filed by our Company" on pages 47 and 403, respectively.*

[7] The bonus issue was in the ratio of one Equity Share for every two Equity Shares held by the Shareholders authorized by a resolution passed by the Shareholders dated October 08, 1990, by capitalization of the free reserve and increase of our Share Capital. The allotment of bonus Equity Shares was approved by our Board on February 06, 1991.

[8] The bonus issue was in the ratio of two Equity Shares for every five Equity Shares held by the Shareholders authorized by a resolution passed by the Shareholders dated March 27, 1992, by capitalization of the free reserve and increase of our Share Capital. The allotment of bonus Equity Shares was approved by our Board on March 31, 1992.

[9] The bonus issue was in the ratio of one Equity Share for every one Equity Shares held by the Shareholders authorized by a resolution passed by the Shareholders dated August 12, 1993, with the record date March 31, 1993 by capitalization of the free reserve and increase of our Share Capital. The allotment of bonus Equity Shares was approved by our Board on August 12, 1993.

[10] The bonus issue was in the ratio of one Equity Share for every two Equity Shares held by the Shareholders authorized by a resolution passed by the Shareholders dated September 20, 1994, with the record date March 31, 1994 by capitalization of the capital redemption reserve, securities premium account and increase of our Share Capital. The allotment of bonus Equity Shares was approved by our Board on September 20, 1994.
[11] The bonus issue was in the ratio of one Equity Share for every four Equity Shares held by the Shareholders, authorized by a resolution passed by the Shareholders at their meeting held on September 06, 2003 with the record date as September 06, 2003 by capitalization of the free reserves and increase of our Share Capital. The allotment of bonus Equity Shares was approved by our Board on November 09, 2003.
[12] The bonus issue was in the ratio of one Equity Share for every four Equity Shares held by the Shareholders, authorized by a resolution passed by the Shareholders at their meeting held on August 25, 2006 with the record date as August 25, 2006 by capitalization of the free reserves and increase of our Share Capital. The allotment of bonus Equity Shares was approved by our Board on November 22, 2006.
[13] The bonus issue was in the ratio of one Equity Share for every four Equity Shares held by the Shareholders, authorized by a resolution passed by the Shareholders at their meeting held on August 11, 2008 with the record date as August 11, 2008 by capitalization of the free reserves and increase of our Share Capital. The allotment of bonus Equity Shares was approved by our Board on November 17, 2008.
[14] The bonus issue was in the ratio of six Equity Share for every one Equity Shares held by the Shareholders, authorized by a resolution passed by the Shareholders at their meeting held on November 18, 2023 with the record date as November 18, 2023 by capitalization of the free reserves, capital redemption reserve, securities premium account and increase of our Share Capital. The allotment of bonus Equity Shares was approved by our Board on November 29, 2023.
[15] All the Equity Shares held by Brijesh Parekh HUF (366,800 Equity Shares) have been transferred without any gain at price of ₹ 108.00 per share to unrelated third parties or associates namely Jitendra Khandol, Rashesh Mehta, Vaishali Maniyar, Rajesh Sheth HUF, Sejal Dadia.
[16] All the Equity Shares held by Yogesh Sanghvi (366,800 Equity Shares) have been transferred without any gain at a price of ₹.109.00 per share to an unrelated third party or associates namely Sachin Kakrecha.

b. History of preference share capital.

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

Details of acquisition of Equity Shares and Preference Shares of our Company through secondary transactions

Except as disclosed below and in " – *Build-up of our Promoters*' *shareholding*" on page 142, there has been no acquisition or transfer of Equity Shares through secondary transactions by any member of our Promoter Group, as on date of this Prospectus:

Date of Transfer	Number of Equity Shares	Face Value Per Share (₹)	Transfer Price per Share (₹)	Nature of Consideration	Nature of Transaction	% of pre Issue equity share capital	% of post Issue equity share capital
N. K. Garg HUF							
July 08, 1997	2000	10	10	Cash	Transfer from A. T. Harinath	0.01	0.01
July 12, 1999	7100	10	29	Cash	Transfer from N.S. Gopalakrishanan	0.03	0.02
July 12, 1999	3750	10	28	Cash	Transfer from Prema V Ramni	0.01	0.01
August 09, 1999	5000	10	29	Cash	Transfer from Saraswathi Gopalkrishnan	0.02	0.01
September 04, 1999	2500	10	15	Cash	Transfer from P.S. Bedi	0.01	0.01
November 10, 1999	2500	10	35	Cash	Transfer from T. Mukherjee	0.01	0.01
January 01, 2000	20080	10	15	Cash	Transfer from A. T. Harinath	0.07	0.05
August 30, 2000	5000	10	29	Cash	Transfer from Devendra Prashar jointly with Adesh Prashar	0.02	0.01
August 30, 2000	5000	10	29	Cash	Transfer from Rahul Prashar	0.02	0.01
October 24, 2000	25000	10	25	Cash	Transfer from M/s. Securities Capital Investments Ltd	0.09	0.07
October 27, 2016	100	10	130	Cash	Transfer from Tapas Kumar Dutta	0.00	0.00
October 27, 2016	50	10	130	Cash	Transfer from Sudhir Bawane jointly with Surekha Bawane	0.00	0.00
October 27, 2016	200	10	130	Cash	Transfer from Anindya Chakraborty	0.00	0.00
October 27, 2016	100	10	130	Cash	Transfer from M.C. Lakshminarayanan	0.00	0.00
November 03, 2016	50	10	130	Cash	Transfer from P.R. Meshram	0.00	0.00
November 19, 2016	100	10	130	Cash	Transfer from Bijaya Pradhan jointly with Rashmini Pradhan.	0.00	0.00

November 19, 2016	100	10	130	Cash	Transfer from Sumitra Bose jointly with Sumit Bose	0.00	0.00
November 19, 2016	50	10	130	Cash	Transfer from Sanjay moon	0.00	0.00
November 19, 2016	50	10	130	Cash	Transfer from Ishwar Bhande jointly with Madhuri Bhande	0.00	0.00
November 19, 2016	1918	10	130	Cash	Transfer from Jayawant Gohokar	0.01	0.01
November 19, 2016	2518	10	130	Cash	Transfer from R.J. Gohokar	0.01	0.01
November 25, 2016	2062	10	130	Cash	Transfer from B K Gohokar	0.01	0.01
December 14, 2016	100	10	130	Cash	Transfer from Rahul Jahagirdar	0.00	0.00
December 14, 2016	300	10	130	Cash	Transfer from Vivek P. Kulkarni jointly with Vasudha Kulkarni	0.00	0.00
December 14, 2016	2076	10	130	Cash	Transfer from S.K. Das	0.00	0.01
December 14, 2016	1874	10	130	Cash	Transfer from Gomti Kataria, Rajani Gori jointly with Vikram Gori	0.00	0.01
December 28, 2016	15831	10	130	Cash	Transfer from Rajesh Shah jointly with Poonam Shah	0.06	0.04
January 06, 2017	4200	10	130	Cash	Transfer from Rajesh Shah jointly with Poonam Shah	0.01	0.01
January 11, 2017	9950	10	130	Cash	Transfer from Rajesh Shah jointly with Poonam Shah	0.04	0.03
January 11, 2017	100	10	130	Cash	Transfer from Subrata Kumar Banerjee jointly with Ruma Banerjee	0.00	0.00
January 20, 2017	300	10	130	Cash	Transfer from Prabir Singha jointly with Shampa Singha	0.00	0.00
February 01, 2017	4357	10	130	Cash	Transfer from Chitra Chandrasekhar	0.02	0.01
February 01, 2017	3035	10	130	Cash	Transfer from D. R Chaudhary	0.01	0.01
February 01, 2017	200	10	130	Cash	Transfer from Tupendra Daharwal jointly with Rajkumari Daharwal	0.00	0.00
February 02, 2017	8156	10	130	Cash	Transfer from Rajesh Shah jointly with Poonam Shah	0.03	0.02
February 02, 2017	250	10	130	Cash	Transfer from Uma Sunil Bhawkar	0.00	0.00
March 24, 2017	50	10	130	Cash	Transfer from Manohar Rahangdale	0.00	0.00
March 24, 2017	50	10	130	Cash	Transfer from Raju Bhagat	0.00	0.00
February 07,	500	10	175	Cash	Transfer to Lata	0.00	0.00

2020					Madhav Kawade		
February 19, 2021	500	10	175	Cash	Transfer to Anita Vijaykar	0.00	0.00

Details of Equity Shares issued for consideration other than cash:

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

Except as disclosed below, our Company has not made any issuance of Equity Shares for consideration other than cash or by way of bonus issue as of the date of this Prospectus:

Date of Allotment of Equity Shares	Number of Equity Shares allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Benefits accrued to our Company	Reason/ Nature of allotment	Name of Allottee
February 06, 1991	2,085	100	-	Other than Cash	Bonus Issue in the ratio of 1:2 (one for every two equity shares held)	Allotment of 697 Equity Shares to N.S. Gopalakrishnan, 694 Equity Shares to Narendra Kumar Garg, 694 Equity Shares to A.T. Harinath.
March 31, 1992	3022	100	-	Other than Cash	Bonus Issue in the ratio of 2:5 (two for every five equity shares held)	Allotment of 1036 Equity Shares to N.S. Gopalakrishnan, 1033 Equity Shares to N.K Garg, 953 Equity Shares to A.T Harinath.
April 21, 1992	125	100	-	Other than Cash	Bonus Shares (one for every two equity shares held)	Allotment of 125 Equity Shares to Vidhya Nathan.
April 21, 1992	150	100	-	Other than Cash	Bonus Shares (two equity shares for every five equity shares held)	Allotment of 150 Equity Shares to Vidhya Nathan
August 12, 1993	17,552	100	-	Other than Cash	Bonus Issue in the ratio of 1:1 (one equity share for every one equity share held)	Allotment of 4,187 Equity Shares to N. S. Gopalkrishnan, 4,176 Equity Shares to N. K. Garg, 3,484 Equity Shares to A.T. Harinath, 1,000 Equity Shares to Diffusion Super Conditioning Services Private Limited, 590 Equity Shares to Chitra Garg, 590 Equity Shares to Saraswathi G, 525 Equity Shares to Vidhyanathan, 500 Equity Shares to N. K. Garg HUF, 300 Equity Shares to Rajesh Shah jointly with Poonam Shah, 250 Equity Shares to Dilip Sundar, 250 Equity Shares to Tara Gopalkrishna, 250 Equity Shares to Avtar Singh Bumrah, 250 Equity Shares to Vijay Bahl jointly with Asha Bahl, 250 Equity Shares to Jayanta Bose, 200 Equity Shares to S Venkatramani, 140 Equity Shares to Gautam Desai, 100 Equity Shares to

						Neeraj Sabharwal, 100 Equity Shares to V. V. Balaji, 100 Equity Shares to Sunil Puniyani, 100 Equity Shares to Deepak Sabharwal jointly with Amita Sabharwal, 50 Equity Shares to K Subrahmania, 40 Equity Shares to G Venkatramani, 40 Equity Shares to Vijaya Randhir, 40 Equity Shares to Ajay Patki jointly with Amita Patki, 20 Equity Shares to R J Gohokar, 20 Equity Shares to B K Gohokar.
September 20, 1994	17,552	100	-	Other than Cash	Bonus Issue in the ratio of 1:2 (one equity share for every two equity share held)	Allotment of 4,187 Equity Shares to N. S. Gopalkrishnan, 4,176 Equity Shares to Narendra Kumar Garg, 3,484 Equity Shares to A.T. Harinath, 1,000 Equity Shares to Diffusion Super Conditioning Services Private Limited, 590 Equity Shares to Chitra Garg, 590 Equity Shares to Saraswathi Gopalkrishnan, 525 Equity Shares to Vidhya Nathan, 500 Equity Shares to N.K. Garg HUF, 300 Equity Shares to Rajesh Shah jointly with Poonam Shah, 250 Equity Shares to Dilip Sundar, 250 Equity Shares to Tara Gopalkrishna, 250 Equity Shares to Avtar Singh Bumrah, 250 Equity Shares to Vijay Bahl jointly with Asha Bahl, 250 Equity Shares to Jayanta Bose, 200 Equity Shares to S. Venkatramani, 140 Equity Shares to Gautam Desai, 100 Equity Shares to Neeraj Sabharwal, 100 Equity Shares to V. V. Balaji, 100 Equity Shares to Sunil Puniyani, 100 Equity Shares to Deepak Sabharwal jointly with Amita Sabharwal, 50 Equity Shares to K Subrahmania, 40 Equity Shares to G Venkatramani, 40 Equity Shares to Vijaya Randhir, 40 Equity Shares to Ajay Patki jointly with Amita Patki, 20 Equity Shares to R J Gohokar, 20 Equity Shares to B K Gohokar.
February 22, 1995[#]	326,556	10	10	Refer Note A	Further Allotment	Allotment of 163,278 Equity Shares to Chitra Garg, 163,278 Equity Shares to Saraswathi Gopalkrishnan
November 09, 2003	3,99,368	10	-	Other than Cash	Bonus Issue in the ratio of 1:4 (one for every one equity share held)	Allotment of 125,029 Equity Shares to Manfred Kluge, 117,488 Equity Shares to Narendra Kumar Garg, 78,480 Equity Shares to Chitra Garg, 25,233 Equity Shares to N.K. Garg HUF, 6,250 Equity Shares to Dr. Nitin Garg jointly with Dr. Renuka Garg, 5,775 Equity Shares to Dr. Nitin Garg, 5,025 Equity Shares to Vijay Bahl jointly with Asha Bahl, 3,938 Equity Shares to Vidhya Nathan, 3,750 Equity Shares to Rajesh Shah jointly with Poonam Shah, 2,750 Equity Shares

						to Jayanta Bose, 1,875 Equity Shares to Prashant Garg, 1,675 Equity Shares to Gautam Desai, 1,275 Equity Shares to Deepak Sabharwal jointly with Amita Sabharwal, 1,275 Equity Shares to Neeraj Sabharwal, 1,250 Equity Shares to Sushil Punyani, 1,250 Equity Shares to Devendra Prashar jointly with Adesh Prashar, 1,250 Equity Shares to Amit Prashar and Devender Prashar, 1,000 Equity Shares to Nikunj Shah, 750 Equity Shares to Pankaj Jain, 750 Equity Shares to V.V. Balaji, 500 Equity Shares to S.P. Deshpande, 500 Equity Shares to Rajani Nathani, 500 Equity Shares to Bishwa Nath Kedia jointly with Govind Dev Kedia, 500 Equity Shares to Ashok Mundhada, 500 Equity Shares to P.K. Gupta, 400 Equity Shares to Chitra Chandrashekhar 375 Equity Shares to Samishtha Gupta, 300 Equity Shares to D.R. Choudhary, 300 Equity Shares to Vijaya Randhir, 275 Equity Shares to B.K. Gohokar, 275 Equity Shares to R. J. Gohokar, 250 Equity Shares to Prem Dayal Gupta, 250 Equity Shares to M.R. Das, 250 Equity Shares to Nitranjan Pawar, 250 Equity Shares to Satya Priya Roy, 250 Equity Shares to C. K. Prashanth and C. K. Shantha, 250 Equity Shares to Manisha Belani jointly with Kalpesh Belani, 250 Equity Shares to Gomti Kataria jointly with Rajani Gori and Vikram Gori, 250 Equity Shares to Savita Mundhada, 250 Equity Shares to Pramod Jadhav, 250 Equity Shares to S.K. Das, 250 Equity Shares to Anant Singhal, 250 Equity Shares to T.R. Uttam Kumar jointly with Josemira K. Naroha, 250 Equity Shares to Kalpana Bhuta jointly with Pankaj Bhuta, 250 Equity Shares to Pranav Bhuta jointly with Kalpana Bhuta and Pankaj Bhuta, 250 Equity Shares to Jayawant K. Gohokar, 250 Equity Shares to Fattechand Avadhiya, 250 Equity Shares to Lalit Surendra Khullar, 250 Equity Shares to Rita S. Gupta and Sanjeev Kumar, 250 Equity Shares to Rajesh Sanikop, 250 Equity Shares to P.N. Gupta, 250 Equity Shares to Rajani A. Amin, 250 Equity Shares to Nimeshkumar A. Amin, 250 Equity Shares to G. Taquiddin, 250 Equity Shares to Sanjeev Kumar Gupta, 250 Equity Shares to Vedprakash Madan, 250 Equity Shares to Vimlawanti Madan, 250 Equity Shares to Abhay

						Garg, 250 Equity Shares to C. P. Garg, 225 Equity Shares to M. S. Jauhal, 150 Equity Shares to K Subrahmania, 125 Equity Shares to A.V. Rama Rao, 125 Equity Shares to R. Nathani jointly with Rajani Nathani, 125 Equity Shares to Sudip Datta, 125 Equity Shares to Baban Wandhare, 125 Equity Shares to R. Mohan, 125 Equity Shares to Vijay M. Mundhada, 125 Equity Shares to Sanjay P. Rathi, 100 Equity Shares to Ajay Patki jointly with Amita Patki, 75 Equity Shares to Ajay Malvi, 75 Equity Shares to S. Chandrasekaran, 50 Equity Shares to M. V. Joglekar, 50 Equity Shares to M. Chandrashekar, 50 Equity Shares to Rakesh Malvi, 50 Equity Shares to Kishore Bharadwaj, 50 Equity Shares to K. P. Suresh, 25 Equity Shares to Vivek Chowfule jointly with Vinayak Ganpatrao Chowfule, 25 Equity Shares to Ravindra Gharote, 25 Equity Shares to Uma Sunil Bhawkar, 25 Equity Shares to P. Satheesh, 25 Equity Shares to Harish P. Ledwani.
November 22, 2006	5,49,128	10	-	Other than Cash	Bonus Issue in the ratio of 1:4 (one for every one equity share held)	Allotment of 162,818 Equity Shares to N. K. Garg, 156,286 Equity Shares to Manfred Kluge, 107,910 Equity Shares to Chitra Garg, 34,729 Equity Shares to N. K. Garg HUF, 8,613 Equity Shares to Dr. Nitin Garg jointly with Dr. Renuka Garg, 8,129 Equity Shares to Marion Busch 7,969 Equity Shares to Dr. Nitin Garg, 7,500 Equity Shares to Stefannie Kummerow, 6,953 Equity Shares to Vijay Bahl jointly with Asha Bahl, 5,156 Equity Shares to Rajesh Shah jointly with Poonam Shah, 4,922 Equity Shares to Vidhya Nathan, 3,438 Equity Shares to Jayanta Bose, 2,751 Equity Shares to Prashant Garg, 2,318 Equity Shares to Alok Desai, 1,764 Equity Shares to Neeraj Sabharwal, 1,718 Equity Shares to Devendra Prashar jointly with Adesh Prashar, 1,718 Equity Shares to Amit Prashar jointly with Devender Prashar, 1,594 Equity Shares to Deepak Sabharwal jointly with Amita Sabharwal, 1,562 Equity Shares to Sunil Puniyani, 1,375 Equity Shares to Nickunj Shah, 1,038 Equity Shares to V. V. Balaji, 1,032 Equity Shares to Pankaj Jain, 688 Equity Shares to S P Deshpande, 688 Equity Shares to Rajani Nathani, 688 Equity Shares to Ashok Mundhada, 625 Equity Shares to P K Gupta, 625 Equity Shares to Bishwa Kedia jointly with Govind Kedia, 554

						Equity Shares to Chitra Chandrasekhar, 515 Equity Shares to Samishtha Gupta, 413 Equity Shares to Vijaya Randhir, 413 Equity Shares to D. R Chaudhary, 412 Equity Shares to R J Gohokar, 346 Equity Shares to S. K. Das, 346 Equity Shares to C. K. Prashanth jointly with C. K. Shantha, 346 Equity Shares to Prem Dayal Gupta, 346 Equity Shares to Rajesh Sanikop, 344 Equity Shares to Satya Priya Roy, 344 Equity Shares to Nitranjan Pawar, 344 Equity Shares to Sanjeev Gupta, 344 Equity Shares to Savita Mundhada, 343 Equity Shares to B K Gohokar, 343 Equity Shares to P N Gupta, 343 Equity Shares to Jayawant Gohokar, 343 Equity Shares to Rita S. Gupta jointly with Sanjeev Kumar Gupta, 343 Equity Shares to Kalpana Bhuta jointly with Pankaj Bhuta, 343 Equity Shares to Pranav Bhuta jointly with Kalpana Bhuta & Pankaj Bhuta, 343 Equity Shares to Manisha Belani jointly with Kalpesh Belani, 313 Equity Shares to Rajani Amin, 313 Equity Shares to Nimesh Amin, 313 Equity Shares to M. R. Das, 313 Equity Shares to Pramod Jadhav, 313 Equity Shares to Vedprakash Madan, 313 Equity Shares to Vimlawanti Madan, 313 Equity Shares to Abhay Garg, 313 Equity Shares to C. P. Garg, 312 Equity Shares to Anant Singhal, 312 Equity Shares to Fattechand Avadhiya, 312 Equity Shares to Lalit Surendra Khullar, 312 Equity Shares to G Taquiddin, 312 Equity Shares to Gomti Dhanji Kataria jointly with Rajani Mahesh Gori and Vikram Mahesh Gori, 312 Equity Shares to T R. Uttam Kumar jointly with Josemira K. Naroha, 281 Equity Shares to M.S Jauhal, 208 Equity Shares to H V Shantharam, 172 Equity Shares to R Mohan, 172 Equity Shares to Baban Wandhare, 172 Equity Shares to Vijay Mundhada, 172 Equity Shares to Sanjay Rathi, 172 Equity Shares to R. Nathani jointly with Rajani Nathani, 171 Equity Shares to Amita Sabharwal jointly with Deepak Sabharwal, 156 Equity Shares to Sudip Datta, 156 Equity Shares to A V Rama Rao, 139 Equity Shares to Ajay Patki jointly with Amita Patki, 104 Equity Shares to S Chandrasekaran, 100 Equity Shares to Ajay Malvi, 69 Equity Shares to M Chandrashekara, 69 Equity Shares to M. V. Joglekar, 69 Equity Shares to Rakesh Malvi, 63 Equity Shares to K P Suresh, 62 Equity Shares to Kishore Bharadwaj, 35 Equity Shares

						to Ravindra Gharote, 35 Equity Shares to Harish Ledwani, 35 Equity Shares to Vivek Chowfule Vinayak Chowfule, 34 Equity Shares to Uma Sunil Bhawkar, 31 Equity Shares to P Satheesh.
November 17, 2008	617,770	10	-	Other than Cash	Bonus Issue in the ratio of 1:5 (one equity share for every five equity share held)	Allotment of 195,817 Equity Shares to Narendra Kumar Garg, 156,286 Equity Shares to Manfred Kluge, 125,398 Equity Shares to Chitra Garg, 40,128 Equity Shares to N.K. Garg HUF, 9,813 Equity Shares to Dr. Nitin Garg jointly with Dr. Renuka Garg, 9,169 Equity Shares to Dr. Nitin Garg, 8,353 Equity Shares to Vijay Bahl jointly with Asha Bahl, 8,129 Equity Shares to Marion Busch, 7,500 Equity Shares to Stefanie Kummerow, 6,356 Equity Shares to Rajesh Shah jointly with Poonam Shah, 4,922 Equity Shares to Vidya Nathan, 4,710 Equity Shares to Prashant Garg, 3,438 Equity Shares to Jayanta Bose, 2,984 Equity Shares to Nickunj Shah, 2,648 Equity Shares to Alok Desai, 1,986 Equity Shares to Neeraj Sabharwal, 1,933 Equity Shares to Amit Prashar jointly with Devender Prashar, 1,933 Equity Shares to Devender Prashar jointly with Adesh Prashar, 1,594 Equity Shares to Deepak Sabharwal jointly with Amita Sabharwal, 1,562 Equity Shares to Sushil Punyani, 1,389 Equity Shares to Rajesh Sanikop, 1,168 Equity Shares to V. V. Balaji, 1,160 Equity Shares to Pankaj Jain, 839 Equity Shares to S. P. Deshpande, 839 Equity Shares to Ashok Mundhada, 705 Equity Shares to Bishwa Kedia jointly with Govind Kedia, 703 Equity Shares to P. K. Gupta, 668 Equity Shares to Chitra Chandrashekhar, 580 Equity Shares to Samishtha Gupta, 504 Equity Shares to R.J. Gohokar, 500 Equity Shares to Vijaya Randhir, 464 Equity Shares to D. R. Choudhary, 432 Equity Shares to P.N. Gupta, 420 Equity Shares to Nitranjan Awar, 420 Equity Shares to Savita Mundhada, 419 Equity Shares to Jayawant Gohokar, 406 Equity Shares to C.K. Prashanth jointly with C.K. Shantha, 404 Equity Shares to Manisha Belani jointly with Kalpesh Belani, 404 Equity Shares to Kalpana Bhuta jointly with Pankaj Bhuta, 404 Equity Shares to Pranav Bhuta jointly with Pankaj Bhuta & Kalpana Bhuta, 400 Equity Shares to Prem Dayal Gupta, 400 Equity Shares to Amita Sabharwal jointly with Deepak Sabharwal, 387 Equity Shares to Satya Priya Roy, 387 Equity Shares to Rita Gupta Sanjeev

						Gupta, 387 Equity Shares to Sanjeev Kumar Gupta, 381 Equity Shares to C.P. Garg, 360 Equity Shares to Rajani Amin, 360 Equity Shares to Nimesh Amin, 352 Equity Shares to Pramod Jadhav, 352 Equity Shares to Vedprakash Madan, 352 Equity Shares to M.R. Das, 351 Equity Shares to Anant Singhal, 351 Equity Shares to Fattechand Avadhiya, 346 Equity Shares to S.K. Das, 344 Equity Shares to B.K. Gohokar, 313 Equity Shares to Vimlawanti Madan, 313 Equity Shares to Abhay Garg, 312 Equity Shares to Gomti Kataria jointly with Rajani Gori & Vikram Gori, 312 Equity Shares to T. R. Uttam Kumar jointly with Josemira K. Narohna, 312 Equity Shares to Lalit Khullar, 312 Equity Shares to G. Taquiddin, 281 Equity Shares to M.S. Jauhal, 211 Equity Shares to Baban Wandhare, 211 Equity Shares to Vijay M. Mundhada, 211 Equity Shares to Sanjay P. Rathi, 208 Equity Shares to H. V. Shantharam, 200 Equity Shares to Veenu Sushil Punyani, 194 Equity Shares to R. Mohan, 169 Equity Shares to Ajay Patki jointly with Amita Patki, 156 Equity Shares to A.V. Rama Rao, 156 Equity Shares to Sudip Datta, 117 Equity Shares to S. Chandrasekaran, 100 Equity Shares to Ajay Malvi, 100 Equity Shares to Sunila Ledwani jointly with Harish Ledwani, 84 Equity Shares to M Chandrashekara, 80 Equity Shares to Vrushali Chowfule jointly with Vivek Chowfule, 69 Equity Shares to Rakesh Malvi, 62 Equity Shares to K. Bharadwaj, 62 Equity Shares to K. P. Suresh, 50 Equity Shares to Vivek Chowfule jointly with Vinayak Chowfule, 42 Equity Shares to Uma Bhawkar, 42 Equity Shares to Harish Ledwani, 40 Equity Shares to Ravindra Gharote, 31 Equity Shares to P. Satheesh, 23 Equity Shares to Bussa Rama Krishna.
November 29, 2023	24,018,222	10	-	Other than Cash	Bonus Issue in the ratio of 6:1 (six equity shares for every one equity share held)	Allotment of 8,896,758 Equity Shares to Prashant Garg, 5,893,932 Equity Shares to Dr. Nitin Garg, 5,255,118 Equity Shares to Chitra Garg, 1,787,382 Equity Shares to N. K. Garg HUF, 451,686 Equity Shares to Dr. Nitin Garg jointly with Dr. Renuka Garg, 314,400 Equity Shares to Brijesh Parekh HUF, 314,400 Equity Shares to Het Mehta, 314,400 Equity Shares to Yogesh Sanghavi, 236,220 Equity Shares to Ajay Sangani, 177,192 Equity Shares to Vidya Nathan, 95,316 Equity Shares to Alok Desai,

						60,000 Equity Shares to Ajay Jain HUF, 56,184 Equity Shares to Prashant Garg jointly with Neelu Garg, 30,216 Equity Shares to Ashok Mundhada, 19,200 Equity Shares to Neelu Garg, 19,200 Equity Shares to Ajay Jain, 15,600 Equity Shares to Anubhav Garg, 14,400 Equity Shares to Daksha Jain, 11,244 Equity Shares to T. R. Uttam Kumar, 9,000 Equity Shares to Lata Kawade, 7,800 Equity Shares to Abhishek Mehta, 7,800 Equity Shares to Vinod Kukreja, 7,800 Equity Shares to Sarika Dhokne, 6,084 Equity Shares to Ajay Patki, 3,600 Equity Shares to Sunila Ledwani, 3,000 Equity Shares to Anita Vijayakar, 3,000 Equity Shares to Kriti Singhal, 2,250 Equity Shares to K. P. Suresh, 1,800 Equity Shares to Anuj Goel, 1,518 Equity Shares to Harish Ledwani, 1,122 Equity Shares to P. Satheesh, 600 Equity Shares to Mahesh Kabade.

 # 326,556 Equity Shares of our Company were allotted at par to Chitra Garg (163,278 equity shares) and Saraswati Gopalkrishnan (163,278 equity shares) against which the allottees have paid the Company ₹1,500,000/- each and for the balance consideration, Chitra Garg and Saraswati Gopalkrishnan had cumulatively transferred 3,760 equity shares of Diffusion Super Conditioning Private Limited in favour of our Company. ***(Note A)***

Issue of Equity Shares under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013

Our Company has not issued or allotted any Equity Shares pursuant to any scheme of arrangement approved under Section 391-394 of the Companies Act, 1956 or section 230-234 of the Companies Act, 2013.

Equity Shares issued pursuant to employee stock option schemes

Our Company does not have any Employee Stock Option Schemes.

Issue of Equity Shares at a price lower than Issue Price in the last one (1) year

The Issue Price for the Equity Shares is ₹168. Except as disclosure in "- Notes on Capital Structure" on page 108 our Company has not made an issue of Equity Shares at a price which may be lower than the Issue Price during the a period of one year preceding the date of filing of this Prospectus.

2. **Shareholding Pattern of our Company**

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

S. No (I)	***Category of shareholder (II)***	***Nos. of share holder (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 nos. shares held (VII = IV+V+VI)***	***Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)***	***Number of Voting Rights held in each class of securities* (IX)***			***No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)***	***Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) (XI=VIII+IX)***	***Number of Locked in shares** (XII)***		***Number of Shares pledged or otherwise encumbered***		***Number of equity shares held in dematerialized form (XIV)***
								No of Voting Rights		***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)***	
								Class Equity Shares of ₹10/- each^	***Total***								
(A)	Promoters & Promoter Group	7	26,086,970	-	-	26,086,970	93.10	26,086,970	26,086,970	93.10	-	-	-		-		26,086,970
(B)	Public	35	1,934,289	-	-	1,934,289	6.90	1,934,289	1,934,289	6.90	-	-	-		-		1,931,865
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-		-		-
	Total	**42**	**28,021,259**	**-**	**-**	**28,021,259**	**100**	**28,021,259**	**28,021,259**	**100**	**-**	**-**	**-**		**-**		**28,018,835 ***

**Our Company is in the process of crediting the Equity Shares to the respective demat accounts of the Shareholders pursuant to Bonus Shares allotted on November 29, 2023.*

***Four of our public Shareholders i.e. T.R. Uttam Kumar (1,874 Equity Shares), P. Satheesh (187 Equity Shares), K.P. Suresh (63 Equity Shares), Anuj Goel (300 Equity Shares), hold 2,424 Equity Shares in physical form.*

3. **Details of equity shareholding of major shareholders of our Company**

a. Set forth below is the list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company on a fully diluted basis and the number of Equity Shares held by them, as on the date of this Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares held	% of existing paid up capital
1.	Prashant Garg	1,03,79,551	37.04
2.	Prashant Garg jointly with Neelu Garg	65,548	0.23
3.	Dr. Nitin Garg	68,76,254	24.54
4.	Chitra Garg	61,30,971	21.88
5.	N. K. Garg HUF	20,85,279	7.44
6.	Dr. Nitin Garg jointly with Dr. Renuka Garg	5,26,967	1.88
7.	Sachin Kakrecha	3,66,800	1.31
8.	Het Mehta	3,14,400	1.12
	Total	**26,745,770**	**95.44**

b. Set forth below is the list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company on a fully diluted basis and the number of Equity Shares held by them, as of 10 days prior to the date of this Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares held	% of the existing paid up capital
1.	Prashant Garg	1,03,79,551	37.04
2.	Prashant Garg jointly with Neelu Garg	65,548	0.23
3.	Dr. Nitin Garg	68,76,254	24.54
4.	Chitra Garg	61,30,971	21.88
5.	N. K. Garg HUF	20,85,279	7.44
6.	Dr. Nitin Garg jointly with Dr. Renuka Garg	5,26,967	1.88
7.	Sachin Kakrecha	3,66,800	1.31
8.	Het Mehta	3,14,400	1.12
	Total	**26,745,770**	**95.44**

c. Set forth below is the list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company on a fully diluted basis and the number of Equity Shares held by them, as of one year prior to the date of this Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares held	% of the then existing paid up capital
1.	Prashant Garg	1,456,593	38.97
2.	Dr. Nitin Garg	982,322	26.28
3.	Chitra Garg	849,653	22.73
4.	N K Garg HUF	297,897	7.97
5.	Dr. Nitin Garg and Dr. Renuka Garg	75,281	2.01
	Total	***3,661,746***	***97.97***

d. Set forth below is the list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company on a fully diluted basis and the number of Equity Shares held by them, as of two years prior to the date of this Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares held	% of the then existing paid up capital
1.	Prashant Garg	1,456,593	38.97
2.	Dr. Nitin Garg	982,322	26.28
3.	Chitra Garg	849,653	22.73
4.	N K Garg HUF	297,897	7.97
5.	Dr. Nitin Garg and Dr. Renuka Garg	75,281	2.01
	Total	***3,661,746***	***97.97***

4. Except for the Issue, our Company presently does not intend or propose to alter its capital structure for a period of six(6) months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of 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 further public issue of Equity Shares, or otherwise. However, if business needs of our Company so require, our Company may alter the capital structure by way of split/ consolidation of the denomination of the Equity Shares/ issue of Equity Shares on a preferential basis or issue of bonus or rights or public or preferential issue of Equity Shares or any other securities during the period of six (6) months from the date of opening of the Issue or from the date the application moneys are refunded on account of failure of the Issue, after seeking and obtaining all the approvals which may be required.

5. **History of build-up of Promoters' shareholding (including Promoters' contribution) and Lock-in of Promoters' shareholding:**

i. Build-up of Promoters' shareholding.

As on the date of this Prospectus, our Promoters hold the pre-Issue issued, subscribed and paid-up Equity Share Capital of our Company in the following manner:

Category	Number of Equity Shares held	Percentage of pre-Issue paid up capital (%)
Prashant Garg	10,379,551	37.04
Prashant Garg jointly with Neelu Garg	65,548	0.23
Dr. Nitin Garg	6,876,254	24.54
Dr. Nitin Garg jointly with Dr. Renuka Garg	526,967	1.88
Chitra Garg	6,130,971	21.88
Total (A)	**23,979,291**	**85.58**

Further, none of the Equity Shares held by our Promoters are pledged.

Date of Allotment/ Transfer/ when made fully paid up*	Number of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Sale Price per Share (₹)**	Nature of Consideration	Nature of Transaction	% of pre Issue equity share capital	% of post Issue equity share capital
Prashant Garg							
April 11, 2001	5,000	10	-	Cash	Transmission from Kiran Devi Garg jointly with Prashant Garg	0.02	0.01
November 21, 2002	1,500	10	24	Cash	Transfer from K. Subrahmania	0.01	0.00
January 14, 2003	1,000	10	24	Cash	Transfer from K. Subrahmania	0.00	0.00
November 09, 2003	1,875	10	--	Other than Cash	Bonus Issue in the ratio of 1:4 (one equity share for every one equity share held)	0.01	0.01
December 22, 2005	1,629	10	40	Cash	Rights Issue	0.01	0.00
August 25, 2006	2,751	10	--	Other than Cash	Bonus Issue in the ratio of 1:4 (one for every four equity share held)	0.01	0.01
March 26, 2007	3,438	10	40	Cash	Transfer from Rajani Nathani	0.01	0.01
March 26, 2007	359	10	40	Cash	Transfer from R. Nathani and Rajani Nathani	0.00	0.00
December 22, 2007	6,000	10	40	Cash	Rights Issue	0.02	0.02
August 11, 2008	14,000	10	40	Cash	Sweat Equity	0.05	0.04
November 17, 2008	4,710	10	--	Other than Cash	Bonus Issue in the ratio of 1:5 (one for every five-equity share held)	0.02	0.01
November 10, 2009	10,000	10	100	Cash	Transfer from Manfred Kluge	0.04	0.03
December 26, 2011	10,000	10	100	Cash	Transfer from Manfred Kluge	0.04	0.03
July 19, 2013	136	10	100	Cash	Transfer from Bussa Rama Krishna	0.00	0.00
August 21, 2013	75,000	10	130	Cash	Transfer from Manfred Kluge	0.27	0.20
August 21, 2013	22,514	10	130	Cash	Transfer from Marion Bush	0.08	0.06

Date of Allotment/ Transfer/ when made fully paid up*	Number of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Sale Price per Share (₹)**	Nature of Consideration	Nature of Transaction	% of pre Issue equity share capital	% of post Issue equity share capital
August 21, 2013	25,000	10	130	Cash	Transfer from Stefanie Kummerow	0.09	0.07
March 13, 2014	26,258	10	130	Cash	Transfer from Marion Bush	0.09	0.07
July 09, 2014	31,286	10	132	Cash	Transfer from Manfred Kluge	0.11	0.08
January 16, 2015	20,000	10	132	Cash	Transfer from Stefanie Kummerow	0.07	0.05
July 31, 2015	50,000	10	132	Cash	Transfer from Manfred Kluge	0.18	0.13
February 10, 2015	250	10	110	Cash	Transfer from P N Gupta	0.00	0.00
February 10, 2015	2,578	10	110	Cash	Transfer from Samishtha Gupta	0.01	0.01
April 21, 2016	100	10	130	Cash	Transfer from Manoj Panurkar	0.00	0.00
April 21, 2016	250	10	130	Cash	Transfer from Bandu Pund	0.00	0.00
April 21, 2016	50	10	130	Cash	Transfer from Deepak Patle	0.00	0.00
April 21, 2016	50	10	130	Cash	Transfer from Ramesh Bagde	0.00	0.00
April 21, 2016	50	10	130	Cash	Transfer from Bhaudas Lokhande	0.00	0.00
April 21, 2016	50	10	130	Cash	Transfer from Vijay Mahalle	0.00	0.00
April 21, 2016	50	10	130	Cash	Transfer from Shankpal Punde	0.00	0.00
April 21, 2016	50	10	130	Cash	Transfer from Sachin Nighade	0.00	0.00
April 21, 2016	596	10	130	Cash	Transfer from S. Chandrasekharan	0.00	0.00
April 21, 2016	1,874	10	130	Cash	Transfer from Lalit Khullar	0.01	0.01
April 21, 2016	2,108	10	130	Cash	Transfer from Fattechand Awadhiya	0.01	0.01
May 17, 2016	2,400	10	110	Cash	Transfer from Prem Dayal Gupta	0.01	0.01
May 17, 2016	2,110	10	120	Cash	Transfer from Manas Ranjan Das	0.01	0.01

Date of Allotment/ Transfer/ when made fully paid up*	Number of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Sale Price per Share (₹)**	Nature of Consideration	Nature of Transaction	% of pre Issue equity share capital	% of post Issue equity share capital
May 17, 2016	377	10	130	Cash	Transfer from R.G. Gharote	0.00	0.00
May 17, 2016	100	10	130	Cash	Transfer from Liladhar Patle	0.00	0.00
May 17, 2016	100	10	130	Cash	Transfer from Sachin Malao	0.00	0.00
May 17, 2016	100	10	130	Cash	Transfer from Sudhir Lanjewar	0.00	0.00
May 17, 2016	50	10	130	Cash	Transfer from Dnyanashawar Pande	0.00	0.00
June 09, 2016	506	10	130	Cash	Transfer from M. Chandrashekara	0.00	0.00
June 09, 2016	104	10	130	Cash	Transfer from S. Chandrashekara	0.00	0.00
June 09, 2016	100	10	130	Cash	Transfer from Anup Choudhari	0.00	0.00
July 07, 2016	100	10	130	Cash	Transfer from Manoj Pannase	0.00	0.00
August 10, 2016	30,000	10	137	Cash	Transfer from Manfred Kluge	0.11	0.08
September 10, 2016	1,164	10	130	Cash	Transfer from R. Mohan	0.00	0.00
September 20, 2016	21,866	10	130	Cash	Transfer from Vijay Bahl jointly with Asha Bahl	0.08	0.06
January 20, 2017	100	10	130	Cash	Transfer from Gajanan Padole	0.00	0.00
January 20, 2017	50,000	10	137	Cash	Transfer from Manfred Kluge	0.18	0.13
March 24, 2017	50,000	10	137	Cash	Transfer from Manfred Kluge	0.18	0.13
October 10, 2017	1,264	10	175	Cash	Transfer from Sanjay Rathi	0.00	0.00
October 10, 2017	2,518	10	175	Cash	Transfer from Savita Mundhada	0.01	0.01
October 10, 2017	1,264	10	175	Cash	Transfer from Vijay Mundhada	0.00	0.00
October 10, 2017	20,626	10	201	Cash	Transfer from Jayanta Bose	0.07	0.06
February 12, 2018	156,286	10	137	Cash	Transfer from Manfred Kluge	0.56	0.42
September 07, 2018	1,246	10	171	Cash	Transfer from H.V. Shantharam	0.00	0.00

Date of Allotment/ Transfer/ when made fully paid up*	Number of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Sale Price per Share (₹)**	Nature of Consideration	Nature of Transaction	% of pre Issue equity share capital	% of post Issue equity share capital
February 07, 2020	100,000	10	-	Other than cash	Transmission from Narendra Kumar Garg	0.36	0.27
July 10, 2020	693,700	10	-	Other than cash	Transfer by way of gift from Dr. Nitin Garg	2.48	1.85
October 11, 2023	26,200	10	762	Cash	Preferential Allotment	0.09	0.07
November 29, 2023	8,896,758	10	-	Other than Cash	Bonus Issue in the ratio of 6:1 (Six for every one equity share held)	31.75	23.77
Sub-total (A)	**10,379,551**					**37.04**	**27.73**
Prashant Garg jointly with Neelu Garg							
December 09, 2014	937	10	130	Cash	Transfer from A V Rama Rao	0.00	0.00
December 09, 2014	1,406	10	130	Cash	Transfer from M S Jauhal	0.01	0.00
December 09, 2014	100	10	100	Cash	Transfer from Rama Yadav	0.00	0.00
December 09, 2014	100	10	100	Cash	Transfer from Pundlik Fulzele	0.00	0.00
April 15, 2015	281	10	130	Cash	Transfer from M S Jauhal	0.00	0.00
February 13, 2017	4,230	10	130	Cash	Transfer from Bishwa Nath Kedia jointly with Govind Dev Kedia	0.02	0.01
February 13, 2017	200	10	130	Cash	Transfer from Kalpana Phalak jointly with Jagdish Phalak	0.00	0.00
February 22, 2017	2,110	10	130	Cash	Transfer from Pramod Jadhav	0.01	0.01
November 29, 2023	56,184	10	-	Other than Cash	Bonus Issue in the ratio of 6:1 (Six for every one equity share held)	0.20	0.15
Sub-total (B)	**65,548**					**0.23**	**0.18**
Dr. Nitin Garg							

Date of Allotment/ Transfer/ when made fully paid up*	Number of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Sale Price per Share (₹)**	Nature of Consideration	Nature of Transaction	% of pre Issue equity share capital	% of post Issue equity share capital
March 18, 1995	5,000	10	15	Cash	Preferential Allotment	0.02	0.01
July 08, 1997	3,000	10	12	Cash	Transfer from A. T. Harinath	0.01	0.01
July 12, 1999	8,400	10	29	Cash	Transfer from N. S. Gopalakrishanan	0.03	0.02
August 09, 1999	2,700	10	29	Cash	Transfer from G. Saraswathi	0.01	0.01
September 04, 1999	1,000	10	15	Cash	Transfer from Gouri Edbor	0.00	0.00
January 01, 2000	3,000	10	15	Cash	Transfer from A. T. Harinath	0.01	0.01
November 09, 2003	5,775	10	-	Other than Cash	Bonus Issue in the ratio of 1:4 (one for every four equity share held)	0.02	0.02
December 22, 2005	3,000	10	40	Cash	Rights Issue	0.01	0.01
August 25, 2006	7,969	10	--	Other than Cash	Bonus Issue in the ratio of 1:4 (one for every four equity share held)	0.03	0.02
December 22, 2007	6,000	10	40	Cash	Rights Issue	0.02	0.02
August 11, 2008	9,169	10	-	Other than Cash	Bonus Issue in the ratio of 1:5 (one for every five-equity share held)	0.03	0.02
November 05, 2014	1,876	10	130	Cash	Transfer from Abhay Garg	0.01	0.01
December 31, 2015	1,668	10	110	Cash	Transfer from P N Gupta	0.01	0.00
January 22, 2016	500	10	100	Cash	Transfer from Ajay Malvi	0.00	0.00
January 22, 2016	300	10	100	Cash	Transfer from Ajay Malvi & Kiran Malvi	0.00	0.00
January 22, 2016	250	10	100	Cash	Transfer from Vivek Chawfule	0.00	0.00
January 22, 2016	415	10	100	Cash	Transfer from Rakesh Malvi	0.00	0.00
July 7, 2016	200	10	130	Cash	Transfer from Vivek Chawfule	0.00	0.00

Date of Allotment/ Transfer/ when made fully paid up*	Number of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Sale Price per Share (₹)**	Nature of Consideration	Nature of Transaction	% of pre Issue equity share capital	% of post Issue equity share capital
July 7, 2016	480	10	130	Cash	Transfer from Vrushali Chawfule	0.00	0.00
September 10, 2016	100	10	130	Cash	Transfer from Deepak Deshpande	0.00	0.00
December 21, 2016	30,000	10	137	Cash	Transfer from Manfred Kluge	0.11	0.08
July 21, 2017	125,029	10	130	Cash	Transfer from Manfred Kluge	0.45	0.33
February 7, 2020	100,000	10	-	Other than cash	Transmission from Narendra Kumar Garg	0.36	0.27
March 20, 2020	1,360,191	10	-	Other than cash	Transmission from N. K. Garg	4.85	3.63
July 10, 2020	(693,700)	10	-	Other than cash	Transfer by way of gift to Prashant Garg	(2.48)	(1.85)
November 29, 2023	5,893,932	10	-	Other than Cash	Bonus Issue in the ratio of 6:1 (Six for every one equity share held)	21.03	15.75
Sub-total (C)	**6,876,254**					**24.54**	**18.37**
Dr. Nitin Garg jointly with Dr. Renuka Garg							
December 06, 2001	25,000	10	40	Cash	Transfer from Chitra Garg	0.09	0.07
November 09, 2003	6,250	10	-	Other than Cash	Bonus Issue in the ratio of 1:4 (one equity share for every four equity share held)	0.02	0.02
December 22, 2005	3,200	10	40	Cash	Rights Issue	0.01	0.01
November 22, 2006	8,613	10	-	Other than Cash	Bonus Issue in the ratio of 1:4 (one equity share for every one equity share held)	0.03	0.02
December 25, 2007	6,000	10	40	Cash	Rights Issue	0.02	0.02
November 17, 2008	9,813	10	-	Other than Cash	Bonus Issue in the ratio of 1:5 (one equity share for every five equity share held)	0.04	0.03

Date of Allotment/ Transfer/ when made fully paid up*	Number of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Sale Price per Share (₹)**	Nature of Consideration	Nature of Transaction	% of pre Issue equity share capital	% of post Issue equity share capital
December 26, 2011	10,000	10	100	Cash	Transfer from Manfred Kluge	0.04	0.03
February 22, 2017	6,405	10	133	Cash	Transfer from Rajesh Sanikop	0.02	0.02
November 29, 2023	451,686	10	-	Other than Cash	Bonus Issue in the ratio of 6:1 (Six for every one equity share held)	1.61	1.21
Sub-total (D)	**526,967**					**1.88**	**1.41**
Chitra Garg							
March 27, 1992	250	100	100	Cash	Further Allotment	0.00	0.00
March 31, 1993	340	100	100	Cash	Further Allotment	0.00	0.00
August 12, 1993	590	100	-	Other than Cash	Bonus Issue in the ratio of 1:1 (one equity share for every one equity share held)	0.00	0.00
September 20, 1994	590	100	-	Other than Cash	Bonus Issue in the ratio of 1:2 (one equity share for every two equity shares held)	0.00	0.00
November 18, 1994	Our Company has sub-divided the equity shares of face value ₹100 each into equity shares of face value ₹10 each. Accordingly, the Promoter's contribution changed was sub-divided from 1,770 equity shares of ₹100/- each to 17,700 equity shares of ₹10/- each.						
February 22, 1995	163,278	10	10	Other than Cash and Cash	Further Allotment (In exchange for shares of Diffusion Super Conditioning Services Private Limited Shares)	0.58	0.44
July 8, 1997	2,420	10	10	Cash	Transfer from A. T. Harinath	0.01	0.01
July 12, 1999	15,000	10	10	Cash	Transfer from Diffusion Super Conditioning Services Limited	0.05	0.04
July 12, 1999	34,400	10	29	Cash	Transfer from N. S. Gopalakrishanan	0.12	0.09
July 12, 1999	5,000	10	28	Cash	Transfer from Lalitha Krishanan	0.02	0.01

Date of Allotment/ Transfer/ when made fully paid up*	Number of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Sale Price per Share (₹)**	Nature of Consideration	Nature of Transaction	% of pre Issue equity share capital	% of post Issue equity share capital
July 12, 1999	1,320	10	29	Cash	Transfer from G. Saraswathi	0.00	0.00
August 9, 1999	15,000	10	29	Cash	Transfer from Tara Shrikanth	0.05	0.04
August 9, 1999	10,000	10	29	Cash	Transfer from G. Saraswathi	0.04	0.03
January 1, 2000	38,000	10	15	Cash	Transfer from A. T. Harinath	0.14	0.10
October 24, 2000	25,000	10	24	Cash	Transfer from Sapat Prakash	0.09	0.07
February 6, 2001	10,000	10	22	Cash	Transfer from Ravi Krishnan	0.04	0.03
February 6, 2001	800	10	20	Cash	Transfer from Ajay Patki	0.00	0.00
December 06, 2001	(25,000)	10	40	Cash	Trasnfer to Dr. Nitin Garg jointly with Dr. Renuka Garg	-0.09	-0.07
November 21, 2002	1,000	10	24	Cash	Transfer from Sumant Kumar Gupta	0.00	0.00
November 09, 2003	78,480	10	-	Other than Cash	Bonus Issue in the ratio of 1:4 (one for every four equity share held)	0.28	0.21
December 22, 2005	39,240	10	40	Cash	Rights Issue	0.14	0.10
August 05, 2006	107,910	10	--	Other than Cash	Bonus Issue in the ratio of 1:4 (one for every four equity share held)	0.39	0.29
December 22, 2007	87,444	10	40	Cash	Rights Issue	0.31	0.23
August 11, 2008	125,398	10	--	Other than Cash	Bonus Issue in the ratio of 1:5 (one for every five-equity share held)	0.45	0.34
November 10, 2009	10,000	10	100	Cash	Transfer from Manfred Kluge	0.04	0.03
December 26, 2011	50,000	10	100	Cash	Transfer from Manfred Kluge	0.18	0.13
October 22, 2014	11,600	10	130	Cash	Transfer from Amit Parashar	0.04	0.03

Date of Allotment/ Transfer/ when made fully paid up*	Number of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Sale Price per Share (₹)**	Nature of Consideration	Nature of Transaction	% of pre Issue equity share capital	% of post Issue equity share capital
September 20, 2016	18,600	10	138	Cash	Transfer from Vijay Bahl	0.07	0.05
February 13, 2017	2,321	10	130	Cash	Transfer from Sanjeev Kumar Gupta	0.01	0.01
February 13, 2017	2,320	10	130	Cash	Transfer from Rita Gupta	0.01	0.01
March 24, 2017	2,422	10	175	Cash	Transfer from Kalpana Bhuta	0.01	0.01
October 11, 2023	26,200	10	762	Cash	Preferential Allotment	0.09	0.07
November 29, 2023	5,255,118	10	-	Other than Cash	Bonus Issue in the ratio of 6:1 (Six for every one equity share held)	18.75	14.04
Sub-total (E)	**6,130,971**					**21.88**	16.34
Total (A+B+C+D +E)	**23,979,291**					**85.58**	64.07

** All the Equity Shares held by our Promoter were fully paid up as on the respective dates of acquisition of such Equity Shares.*
*** Cost of acquisition excludes Stamp Duty*

ii. <u>Details of Lock–in of Equity Share capital:</u>

a. Promoters' Contribution locked-in for three (3) years

Pursuant to Regulation 14 and 16 of the SEBI ICDR Regulations, an aggregate of at least 20% of the post-Issue Equity Share Capital of our Company held by our Promoters shall be considered as Promoters' Contribution ("**Promoters' Contribution**") and shall be locked-in for a period of three (3) years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchanges before listing of the Equity Shares.

All Equity Shares held by our Promoters are eligible for Promoters' Contribution, pursuant to Regulation 15 of the SEBI ICDR Regulations.

Our Promoters have consented to the inclusion of such number of the Equity Shares held by them, in aggregate, as may constitute 20% of the post-Issue equity share capital of our Company as Promoters' Contribution and have agreed not to sell, charge or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution, for a period of three (3) years from the date of allotment in the Issue.

The below Equity Shares proposed to form part of Promoters' Contribution subject to lock-in shall not be disposed of/ sold/ transferred by our Promoters during the period starting from the date of filing this

Prospectus with the Stock Exchanges until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Accordingly, Equity Shares aggregating to 20% of the post-Issue capital of our Company, held by our Promoters shall be locked-in for a period of three (3) years from the date of Allotment in the Issue as follows:

Date on which the Equity Shares were Allotted/ made fully paid up/Acquired	**No. of Equity shares locked-in***	**Face Value Per Share (₹)**	**Issue/ Acquisition Price Per Share (₹)**	**Nature of transaction**	**% of post-Issue share capital****	**Date up to which the Equity Shares subject to lock-in****
Prashant Garg						
November 29, 2023	37,61,500	10	Nil	Bonus Issue	10.05%	October 15, 2027
Dr. Nitin Garg						
November 29, 2023	37,61,500	10	Nil	Bonus Issue	10.05%	October 15, 2027
Total	**7,52,30,000**	10			21.10%	

**All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition as the case may be, of such Equity Shares*
***Subject to finalization of Basis of Allotment*

The Promoters' Contribution has been brought into the extent of not less than the specified minimum lot and from the person defined as 'promoter' under the SEBI ICDR Regulations.

The Equity Shares that are being locked are eligible for computation of Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. In this respect, we confirm the following:

i) that the minimum Promoters' Contribution does not consist of Equity Shares acquired during the preceding three years, which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;

ii) that the minimum Promoters' Contribution does not consist of Equity Shares acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Company or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution;

iii) that the minimum Promoters' Contribution does not consist of Equity Shares acquired during the one (1) year immediately preceding the date of this Prospectus at a price which may be lower than the price at which the Equity Shares are being offered to the public in the Issue;

iv) that the Equity Shares held by our Promoters which are offered for minimum Promoters' Contribution are not subject to any pledge or any other form of encumbrance whatsoever; and all the Equity Shares of our Company held by the Promoters are dematerialized;

v) The Equity Shares offered for Promoters’ Contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoters for inclusion of its subscription in the Promoters’ Contribution subject to lock-in.

b. Details of Equity Shares Locked-in

In terms of Regulation 16(1)(b) and 17 of the SEBI ICDR Regulations, the Promoters’ holding in excess of minimum Promoters’ Contribution, which will be locked-in for one (1) year and the entire pre-Issue capital held by the persons other than Promoters, all the pre-Issue Equity Share capital shall be subject to lock-in for a period of six (6) months from the date of Allotment.

The shares which are in dematerialized form shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

c. Lock-in of Equity Shares Allotted to Anchor Investors

50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

d. Other requirements in respect of lock-in

In terms of Regulation 21 of the SEBI ICDR Regulations, locked-in Equity Shares for one (1) year held by our Promoters may be pledged only with scheduled commercial banks or public financial institutions or a systematically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Promoters’ Contribution for 18 months under Regulation 16(a) of the SEBI ICDR Regulations may be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted to the Issuer Company or its subsidiary(ies) by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the specified securities till the lock-in period stipulated in the SEBI ICDR Regulations has expired.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by Promoters and locked-in as per Regulation 16 may be transferred to another Promoter or any person of the Promoter Group or a new Promoter and the Equity Shares held by persons other than the Promoters and locked-in in terms of Regulation 17, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations and such transferee shall not be eligible to transfer them until the lock-in period stipulated in the SEBI ICDR Regulations has expired.

e. We further confirm that our Promoters’ Contribution of 20% of the post-Issue Equity Share capital does not include any contribution from Alternative Investment Fund, Foreign Venture Capital Investors, Scheduled Commercial Banks, Public Financial Institutions or Insurance Companies registered with Insurance Regulatory and Development Authority of India.

6. As on the date of this Prospectus, our Company has 42 shareholders.

7. **Details of the pre and post-Issue shareholding of our Promoters and Promoter Group is as below:**

Our Promoters and Promoter Group holds 93.10% of the pre-Issue Equity Share Capital of our Company. Except as stated below, our Promoters and the members of our Promoter Group do not hold any Equity Shares in our Company as on date of this Prospectus:

Particulars	**Pre-Issue**		**Post-Issue**	
	Number of Equity Shares	**Percentage (%) holding**	**Number of Equity Shares**	**Percentage (%) holding**
Promoters				
Prashant Garg	10,379,551	37.04	10,379,551	27.73
Prashant Garg jointly with Neelu Garg	65,548	0.23	65,548	0.18
Dr. Nitin Garg	6,876,254	24.54	6,876,254	18.37
Dr. Nitin Garg jointly with Dr. Renuka Garg	526,967	1.88	526,967	1.41
Chitra Garg	6,130,971	21.88	6,130,971	16.38
Total (A)	**23,979,291**	85.58	**23,979,291**	**64.07**
Promoter Group				
Neelu Garg	22,400	0.08	22,400	0.06
N. K. Garg HUF	2,085,279	7.44	2,085,279	5.57
Total (B)	**2,107,679**	**7.52**	**2,107,679**	5.63
Total (A+B)	**26,086,970**	**93.10**	**26,086,970**	**69.70**

8. None of the Equity Shares held by our Promoters and the members of our Promoter Group are pledged or otherwise encumbered.

9. None of the members of our Promoter Group, or our Director or their relatives have sold or purchased Equity Shares of our Company during the six (6) months immediately preceding the date of this Prospectus.

10. Except as disclosed in "*Our Management – Shareholding of the Directors*" and "*Our Management – Shareholding of the Key Managerial Personnel and Senior Management*" on pages 298 and 312 respectively, none of the Directors, Key Managerial Personnel or Senior Management hold any Equity Shares as on the date of this Prospectus.

11. There are no financing arrangements whereby the Promoters, members of our Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the Issuer during the period of 6 (six) months immediately preceding the date of filing the Prospectus.

12. Our Company, our Directors, our Promoters and the BRLM have not entered into any buy-back and/ or standby and/ or similar arrangements for the purchase of Equity Shares of our Company, offered through this Prospectus, from any person.

13. The Equity Shares are fully paid-up and there are no partly-paid up Equity Shares as on the date of this Prospectus. Since the entire Issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.

14. Our Company does not have any ESOP schemes.

15. The BRLM or its associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares in our Company as on the date of filing of this Prospectus.

16. The BRLM and its associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) are not, directly or indirectly, related with any of the investors of our Company.

17. We have not granted any options or issued any shares under any scheme of employee stock option or employees stock purchase in the preceding three (3) years and we do not intend to allot any Equity Shares to our Employees under ESOS/ ESOP scheme from proposed Issue.

18. Except as disclosed in "*Capital Structure – Notes on the Capital Structure*" on page 108, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation. Except as stated in "*Risk Factor 8 – Our Company had made allotment of equity shares in the past which was allotted to more than 49 investors, which may have been in non-compliance with the Companies Act, 1956.*" on page 43 of the Prospectus, all Equity Shares allotted by our Company from the date of incorporation of our Company till the date of filing of this Prospectus have been issued in compliance with Companies Act.

19. **Price at which Equity Shares were acquired in the last three years, by our Promoter, members of the Promoter Group**

The details of the price at which Equity Shares were acquired in the three years preceding the filing of this Prospectus, by our Promoter, members of the Promoter Group are as follows:

Name of Acquirer	Date of Acquisition of Equity Shares	No. of Equity shares acquired	Acquisition price per Equity Share (in ₹)	Nature of Acquisition
Promoters				
Prashant Garg	October 11, 2023	26,200	762	Preferential Allotment
	November 29, 2023	8,896,758	-	Bonus Issue in the ratio of 6:1 (Six for every one Equity Share held)
Prashant Garg jointly with Neelu Garg	November 29, 2023	56,184	-	Bonus Issue in the ratio of 6:1 (Six for every one Equity Share held)
Dr. Nitin Garg	November 29, 2023	5,893,932	-	Bonus Issue in the ratio of 6:1 (Six for

				every one Equity Share held)
Dr. Nitin Garg jointly with Dr. Renuka Garg	November 29, 2023	451,686	-	Bonus Issue in the ratio of 6:1 (Six for every one Equity Share held)
Chitra Garg	October 11, 2023	26,200	762	Preferential Allotment
	November 29, 2023	5,255,118	-	Bonus Issue in the ratio of 6:1 (Six for every one Equity Share held)
Promoter Group Member				
Neelu Garg	October 11, 2023	3,200	762	Preferential Allotment
	November 29, 2023	19,200	-	Bonus Issue in the ratio of 6:1 (Six for every one Equity Share held)
N. K. Garg HUF	November 29, 2023	1,787,382	-	Bonus Issue in the ratio of 6:1 (Six for every one Equity Share held)

20. The average cost of acquisition of or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoter	No. of Shares held	Average cost of Acquisition* (Rs. Per share)
1.	Prashant Garg	10,379,551	10.11
2.	Prashant Garg jointly with Neelu Garg	65,548	18.48
3.	Dr. Nitin Garg	6,876,254	3.31
4.	Dr. Nitin Garg jointly with Dr. Renuka Garg	526,967	6.07
5.	Chitra Garg	6,130,971	6.55

** As certified by PGS & Associates, Chartered Accountants by way of their certificate dated September 16, 2024*

21. As on the date of filing of this Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments, financial instruments or any other rights which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Issue.

22. An applicant cannot make an application more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.

23. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Prospectus until the Equity Shares to be issued pursuant to the Issue have been listed.

24. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 49 of SEBI ICDR Regulations.

25. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.

26. An over-subscription to the extent of 1% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to 3 years lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

27. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange i.e. National Stock Exchange of India Limited. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

28. The unsubscribed portion in any reserved category, if any, may be added to any other reserved category.

29. There are no Equity Shares against which depositories receipts have been issued.

30. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

31. As per RBI regulations, OCBs are not allowed to participate in this Issue.

32. Our Company has not raised any bridge loans against the proceeds of the Issue.

33. Our Company shall comply with such disclosure and accounting norms as may be specified by stock exchange, SEBI and other regulatory authorities from time to time.

34. Our Promoters and Promoter Group will not participate in this Issue.

35. This Issue is being made through Book Building method.

36. The BRLM, our Company, members of the Syndicate, our Directors, our Promoters, our Promoter Group and/ or any person connected with the Issue shall not offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant, for making an Application.

37. There are no safety net arrangements for this Issue.

38. All transactions in Equity Shares by our Promoters and members of the Promoter Group, if any, between the date of filing of the Prospectus and the Issue Closing Date which were required to be reported to the Stock Exchanges within 24 hours of such transactions being completed.

39. 50,000 Equity Shares aggregating up to ₹ 8.00 million (which shall not exceed 5% of the post-Issue equity share capital of our Company) shall be reserved for allocation to Eligible Employees under the

Employee Reservation Portion, subject to valid Bids being received at or above the Issue Price (net of Employee Discount, if any, as applicable` for the Employee Reservation Portion). Only Eligible Employees would be eligible to apply in the Issue under the Employee Reservation Portion. Bids by Eligible Employees can also be made in the Net Issue and such Bids shall not be treated as multiple Bids. Unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000 (net of Employee Discount). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹ 200,000 (net of Employee Discount) up to ₹ 500,000 (net of Employee Discount).

OBJECTS OF THE ISSUE

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

1. Funding capital expenditure requirements towards expansion of our existing manufacturing facility at Khasra No. 36, 38/1, 38/2, 38/3, Khapri (Uma), Nagpur- 441 501, Maharashtra, India **("Proposed Expansion")**
2. Setting up of a new manufacturing facility located at Plot Nos. 33-B/1/1/ & 33-B/1/1/Part, MIDC, Hingna, Sonegaon District, Nagpur – 440 016, Maharashtra **("Proposed Facility")**
3. Funding working capital requirements of the Company; and
4. General Corporate Purposes

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

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

Issue Proceeds

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

(₹ in million)

Particulars	Estimated Amount[(1)]
Gross proceeds of the Issue	1,579.64
(less) Issue Expenses[(2)]	157.69
Net Proceeds of the Issue	**1,421.95**

[(1)] *Subject to finalization of Basis of Allotment.*

[(2)] *For details, please see "Issue related expenses" on page 176 of this Prospectus*

Utilization of Net Proceeds

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

(₹ in million)

Particulars	Amount
Funding capital expenditure requirements towards Proposed Expansion of our existing manufacturing facility at Unit IV	713.80
Setting up of a new manufacturing facility at Hingna, Sonegaon District, Nagpur, Maharashtra (**"Proposed Facility"**)	303.85
Funding working capital requirements of the Company	220.00
General Corporate Purposes [(1)]	184.30
Net Proceeds	**1,421.95**

[(1)] *Subject to finalization of Basis of Allotment..*

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the objects in accordance with the estimated schedule of implementation and deployment of funds, as set forth in the table below:

(₹ in million)

Particulars	Total estimated cost	Total amount spent on the Objects as of September 16, 2024[(2)]	Total estimated amount from Net Proceeds	Year wise break-up of the expenditure	
				Fiscal 2025	Fiscal 2026
Funding capital expenditure requirements towards expansion of our existing manufacturing facility (Unit IV) at Khapri (Uma), Nagpur, Maharashtra	760.10 [(1)]	46.30	713.80	214.14	499.66
Setting up of a new manufacturing facility located at Hingna, Sonegaon District, Nagpur	348.85[(1)]	126.02[(2)(3)]	303.85[(3)]	179.37	124.48
Funding Working Capital Requirements of the Company	220.00[(2)]	-	220.00	220.00	-
General Corporate Purposes	184.30	-	184.30	184.30	-
Total	**1,513.25**	**172.32**	**1,421.95**	**797.81**	**624.14**

[(1)] *Total estimated cost as per Chartered Engineer certificates in respect of Proposed Expansion and Proposed Facility both dated September 19, 2024 issued by M/s. Sandeep Mashru & Co., Independent Chartered Engineer*

[(2)] *As certified by M/s. PGS & Associates, Chartered Accountants, our Statutory Auditors, by way of their certificate dated September 20, 2024*

[(3)] *Out of ₹126.02 million paid by our Company from its internal accruals towards acquisition of Land for the Proposed Facility, ₹81.02 million will be recouped from Net Proceeds.*

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, changes in design and configuration of the project, increase in input costs of construction materials and labour costs, logistics and transport costs incremental preoperative expenses, taxes and duties, interest and finance charges, engineering procurement and construction costs, working capital margin, regulatory costs, environmental factors and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable law.

Moreover, if the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the aggregate of the gross proceeds of the Issue, in accordance with Regulation 7(2) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilizing our internal accruals and seeking debt lenders. In furtherance, that such alternate arrangements would be available to fund any such shortfalls.

Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue. To the extent our Company is unable to utilize any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent financial year i.e. Fiscal 2026 for funding working capital requirements and Fiscal 2027 for funding capital expenditure towards Proposed Expansion and Proposed Facility towards the aforementioned Objects.

All quotations mentioned in this section are valid as on the date of this Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendor would be engaged to eventually supply the equipment at the same costs. We are yet to place orders for any of the components of the Proposed Project. Further, for risk arising out of the Objects, see Risk Factors no. 22 – "*We intend to utilize a portion of the Net Proceeds for funding our capital expenditure requirements. We are yet to place orders for such capital expenditure machinery.*" on page 56 of this Prospectus. This includes part financing the cost of establishing the Proposed Project which may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties.

Further, the Objects of the Issue includes orders for purchase of machinery which have not yet been placed except for Flux Cored Wire (FCW) slitting line including gear box motor, pressure plate, coiler with de-coiler separator, etc. from Hemaxi Eng. Enterprise. There can be no assurance that we would be able to procure equipment at the estimated costs. If we engage someone other than the vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor's estimates and actual costs for the services may differ from the current estimates. Some of the quotations mentioned above do not include cost of freight, insurance, goods and services tax (wherever applicable) and other applicable taxes as these can be determined only at the time of placing of orders. Such additional costs shall be funded from the Net Proceeds allocated towards general corporate purposes or through contingencies, if required. In case of increase in the estimated costs, such additional costs shall be incurred from our internal accruals.

Our Board at its meeting held on April 26, 2024 approved the proposed objects of the Issue and the respective amounts proposed to be utilized from the Net Proceeds for each object.

Details of the Objects of the Issue

1. **Funding capital expenditure requirements towards expansion of our existing manufacturing facility (Unit IV) at Khapri (Uma), Nagpur, Maharashtra**

Expanding our existing manufacturing facility at Khapri (Uma), Nagpur, Maharashtra is a strategic move driven by several reasons including, our current manufacturing operations include the production, refurbishment, and fabrication of heavy engineering equipment for the cement, steel, and power sectors. However, the existing space limitations prevent us from taking on sizable heavy engineering projects. This expansion will address this constraint, enabling us to undertake larger and more complex jobs in heavy engineering as well as welding consumables and wear parts products. The cement, steel, and power sectors are experiencing robust growth, presenting significant opportunities for its sub sectors also to grow. To actively participate in this industry growth, it is imperative to have the capacity to undertake substantial heavy engineering projects.

The Company intends to undertake the expansion work at Khasra Nos. 36, 38/1, 38/2, 38/3 situated at Khapri (Uma), Nagpur- 441 501, Maharashtra admeasuring in aggregate 72,029.84 sq. mtrs. or thereabouts and where the Company is having its existing manufacturing facilities. As part of the Proposed Expansion, an aggregate area of approx. 15,449.87 sq. mtrs is proposed to be constructed at the said Khasra Nos. 36, 38/1, 38/2, 38/3.

During Fiscals 2024, 2023 and 2022, we have generated ₹64.47 million, ₹ 22.90 million and ₹ 26.50 million from mining and defense industries which represent 2.32%, 0.94% and 1.35%respectively of our standalone revenue from operations for the said period. We intend to further expand and diversify mining and defense industries where there is extensive use of heavy equipment and therefore, a substantial demand for wear and tear resistant solutions. For details, please see "*Our Business - Strategies*" on page 249 of this Prospectus.

Further, our Unit IV's strategic location, adjacent to a highway in Nagpur, Maharashtra, thus enhances our logistical capabilities. This advantageous positioning facilitates the efficient transportation of heavy engineering equipment to various parts of the country. Improved logistics contribute to timely project deliveries and customer satisfaction.

Following this expansion, our heavy engineering equipment business will reach a capacity where further expansion is not anticipated for at least the next couple of years. This strategic decision ensures optimal utilization of resources and allows for focused operations.

Our Board in its meeting dated April 26, 2024 took note that an aggregate amount of ₹ 713.80 million is proposed to be utilized to set up the Proposed Expansion.

The capital expenditure required for this expansion is optimized as we already possess the required land. The financial investment will primarily be directed towards construction, civil work, and the acquisition of machinery essential for our heavy engineering equipment and flux cored wire businesses. This cost-effective approach ensures prudent resource allocation.

Capacity and Schedule of Implementation

Our Company manufactures flux cored wires (from Fiscal 2024 onwards), wear plates and heavy engineering at Unit IV. The existing installed capacity at our Unit IV comprises of 9,000 Metric Tons / Annum for the manufacture of wear plates and heavy engineering fabrication and for flux cored wires is 444 Metric Tons / Annum. The actual production and utilization for wear plates and heavy engineering for Fiscal 2024 is 7,573 Metric Tons /Annum and capacity is utilized 84.14% and for flux cored wires for Fiscal 2024 is 20 Metric Tons /Annum and capacity is utilized 4.50%.

The installed capacity of our existing manufacturing facility at Khapri (Uma), Nagpur, Maharashtra including the Proposed Expansion Proposed Expansion will stand increased to 4920 Metric Tons / Annum for wear plate, 1080 Metric Tons/ Annum for Flux Cored Wires & 12000 Metric Tons / Annum for heavy Engineering Fabrication as per the certificate dated September 19, 2024 issued by M/s. Sandeep Mashru & Co., Independent Chartered Engineer and is expected to commence production by third quarter of financial year 2025.

Sr. No	Particulars	Status / Expected commencement date	Expected completion date
1.	Land acquisition[1]	Completed	
2.	Site development, civil and structural works	October 2024	May 2025
3.	Planning and procurement of equipment	November 2024	April 2025
4.	Erection and installation of equipment	February 2025	August 2025
5.	Trial run	November 2025	
6.	Commencement of commercial production	November 2025	

[1] The Proposed Expansion is proposed to be undertaken on parcels of land bearing Khasra Nos. 36, 38/1, 38/2, 38/3, Khapri (Uma), Nagpur- 441 501, Maharashtra, India which have been acquired by our Company as under:

S. No.	***Khasra No.***	***Area (in sq. mtrs)***	***Document***	***Consideration (in ₹ million)***	***Vendor(s)***	***Permitted Use***
1.	*35 and 36*	*15,800* (for Khasra no.35) and 19,000* (for Khasra no.36)*	*Sale Deed dated March 17, 2011*	*21.10*	*Mrs. Taranjit Kaur*	*Non-Agricultural*
2.	*38/1, 38/2, 38/3*	*54,397.84*	*Sale Deed dated September 04, 2012*	*38.33*	*Shri R. G Subramanian and two others*	*Non-Agricultural*

** The total area stands reduced to the extent of approx. 1823 sq. mtrs (Khasra no. 35) and 1368 sq. mtrs (Khasra no. 36) pursuant to acquisition of land by National Highway Authority of India for public purpose in 2018.*

For details regarding approvals for the Proposed Expansion, please see "*Objects of the Issue - Government Approvals*" on page 167 of the Prospectus.

Estimated Cost

The details of estimated costs are set out below:

Sr. No	Particulars	Total estimated cost and proposed to be funded from Net Proceeds [1] (₹ in million)
1.	Building construction and Civil work	396.08
2.	Purchase of Machinery	263.85
3.	Installation of Solar Power Project	44.70
4.	Contingencies	9.17
Total		**713.80**

[(1)] *Total estimated cost as per Chartered Engineer certificates dated September 19, 2024 issued by M/s. Sandeep Mashru & Co., Independent Chartered Engineer.*

The detailed break-up of the estimated cost (except cost of land acquisition) of establishing the Proposed Project is set forth below:

1. ***Building construction and Civil work***

Sr. No	Particulars	Total estimated cost (₹ in million)	Amount proposed to be funded from the Net proceeds (₹ in million)	Name of supplier / vendor	Date of Quotation	Validity of Quotation
1.	Building works	181.96*	181.96	Aashirwad Construction	July 11, 2024	September 30, 2024
2.	Elevation	6.45*	6.45			
3.	External development work	10.91*	10.91			
4.	Pre-engineered Building	186.58*	186.58	Everest Industries Limited	July 10, 2024	October 31, 2024
a)	*Supply & Erection of shed including dismantling charges*	154.73	154.73			
b)	*Panelling & Insulation of Roof*	24.47	24.47			
c)	*Panelling & Insulation of Walls*	7.38	7.38			
5.	Transformer, cables, panels, and light fittings	10.18	10.18	Vedant Electricals	August 13, 2024	February 02, 2025
	Total	**396.08**	**396.08**			

**Inclusive of Applicable Taxes*

2. *Purchase of Machinery*

Our Company intends to purchase machineries and install at the said unit, which includes double girder overhead traveling cranes, CNC cutting machines, wear plate machines, heat treatment furnace and other items. In addition, it also includes various equipment's like horizontal boring machine. The details of costing of such plant and machinery are set forth below:

Sr. No	Particulars	Per unit Cost (₹ in million)	Quantity	Total estimated cost (₹ in million)	Name of supplier / vendor	Date of Quotation	Validity of Quotation
1.	Double girder overhead traveling crane (10MT)	5.04	4	20.15	ElectroMech Material Handling	July 12, 2024	September 30, 2024

Sr. No	Particulars	Per unit Cost (₹ in million)	Quantity	Total estimated cost (₹ in million)	Name of supplier / vendor	Date of Quotation	Validity of Quotation
2.	Double girder overhead traveling crane (25MT)	6.72	4	26.90	System(I) Private Limited		
3.	Double girder overhead traveling crane (50MT)	10.34	2	20.69			
4.	Horizontal boring machine**[#$]	20.44	1	20.44*	Thumar technical services s.a.r.l	March 27, 2024	December 24, 2024
5.	Heat treatment induction machine**	15.83	1	15.83*	Suntec Heating Systems	September 09, 2024	December 31, 2024
6.	TPS 500i Manual CMT Welding system	2.05	2	4.11	Fronius India Private Limited	July 10, 2024	September 30, 2024
7.	CNC Cutting Machine with a Bed Size of 3x13 mts	3.08	2	6.17**	Kjellberg Finsterwalde Plasma und Maschinen GmbH	August 21, 2024	December 31, 2024
8.	Wear Plate Cladding Machine	3.50	4	14.00	Innoverve Inventions Private Limited	August 19, 2024	December 31, 2024
9.	Flux Cored Wire (FCW) Wire Machine including gear box, head assembly plates, control panel, dust collector, etc.)	9.91	2	19.82	Innoverve Inventions Private Limited	August 19, 2024	December 31, 2024
10.	Electrically Heated Bogie Hearth type Heat Treatment Furnace (60MT) including erection and commissioning charges	54.10	1	54.10	The Wesman Engineering Company Private Limited	August 22, 2024	December 20, 2024
11.	CNC retrofitting work on Horizontal Boring Machine	9.88	1	9.88	Krystal Machine Tool Services	August 19, 2024	December 31, 2024
12.	CNC turning center machine	18.70	1	18.70	Jyoti CNC Automation Limited	April 18, 2024	October 18, 2024
13.	Double column vertical machining center	17.57	1	17.57	Jyoti CNC Automation Limited	April 18, 2024	October 18, 2024
14.	Waterjet cutting machine	7.05	1	7.05*	VHS Mechatronics	August 22, 2024	December 30, 2024

Sr. No	Particulars	Per unit Cost (₹ in million)	Quantity	Total estimated cost (₹ in million)	Name of supplier / vendor	Date of Quotation	Validity of Quotation
					Services Private Limited		
15.	KMT Intensifier@	5.80	1	5.80*	VHS Mechatronics Services Private Limited	August 22, 2024	December 30, 2024
16.	Other ancillaries			2.54	ElectroMech Material Handling System(I) Private Limited	July 12, 2024	September 30, 2024
	Total			**263.85**			

**Inclusive of Applicable Taxes*
#As per Chartered Engineer Certificate dated September 19, 2024, issued by M/s. Sandeep Mashru & Co., Independent Chartered Engineer, the second-hand Machine is 43 years old and has balance estimated useful life of 10-15 years
******** *The quotation has been received in Euro, which have been converted to ₹ 93.59 as on August 22, 2024 (Source: www.rbi.org.in. The currency conversion rate of the appropriate currency will be taken while placing the orders.*
$ Save and except the horizontal boring machine for an estimated sum of ₹ 20.44 million as set out under item no. (4) above, the rest of the equipment will be new machinery. Further, we are yet to place orders for the total machinery and equipment of ₹263.85 million which constitutes 100% of the total cost of the machinery and equipment.
@ KMT Intensifier – H2O High pressure pump (Pump will be ordered directly by Diffusion from KMT-Germany with the guidance of VHSM and Payment will be done by the company directly to KMT-Germany (LC/TT).

3. *Installation of Solar Power Project*

In line with our continued focus for cost optimization and improvement in profitability, our Company intends to install 1.10 MW rooftop solar power project, at our Unit IV facility taking into consideration the power requirements.

In our type of business model, electricity cost is a substantial expense and hence to reduce the cost of electricity, we intend to install the solar power project which will help us in improving profitability. The power requirements are met through the local power grids maintained by state power grid. Our current requirement is 0.6 MW per month.

The details of costing of such solar power project are set forth below:

Sr. No	Particulars	Total Estimated Cost (₹ in million)	Name of the Supplier / vendor	Date of Quotation	Validity of Quotation
1.	Setting up of 1.10 MW rooftop solar power project which includes supply, installation, testing, commissioning and project management	44.70	Reecode Enterprises	July 09, 2024	September 30, 2024
	Total	**44.70**			

4. *Contingencies*

We have created a provision for contingency of ₹ 9.17 million, which is approximately 1.21% of total estimated cost, to cover various expansion related costs.

Government Approvals

In relation to the Proposed Facility, we are required to obtain certain approvals, which are routine in nature, from certain governmental or local authorities, the status of which is provided below as per Chartered Engineer certificate dated September 19, 2024, issued by M/s. Sandeep Mashru & Co., Independent Chartered Engineer.

Sr. No.	Particulars	Stage when it is required	Status
1.	Layout and Building Approval	Before Start of Construction work	Partially received for 3,235 sq. mtrs. and applied for the balance area
2.	Consent to Establish from MPCB	Before Start of Operation	Received
3.	Fire NOC	Before Start of Operation	Yet to Apply
4.	Structural Stability Certificate	Before Start of Operation	Yet to Apply
5.	DISH (Directorate of Industrial Safety & Health) Sanction Plan Approval	Before Start of Operation	Yet to Apply
6.	Factory License	Before Start of Operation	Yet to Apply
7.	Consent to Operate from MPCB	Before Start of Operation	Yet to Apply
8.	Utilities / Material Handling Equipment License	After Start of Operation	Yet to Apply
9.	Building Completion Certificate - Existing	Before Start of Operation	Received
10.	Building Completion Certificate - New	After completion of construction work	Yet to Apply
11.	Approval from Ground Water Authority	Before Start of Operation	Received

Means of finance

Apart from the amounts already incurred towards the above Object, the balance amount to be spent on the above Object shall be financed from the Net Proceeds. Therefore, the requirements under Regulation 7(1)(e) of the SEBI ICDR Regulations to make firm arrangements through verifiable means towards 75% of the stated means of finance are not applicable to this Issue.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on the certificate issued by M/s. Sandeep Mashru & Co., Independent Chartered Engineers dated September 19, 2024, our current business plan, managements estimates, and other commercial and technical factors. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management.

2. ***Setting up of a new manufacturing facility located at Hingna, Sonegaon District, Nagpur, Maharashtra***

We intend to setup a new manufacturing facility at Plot No. 33-B/1/1 & 33-B/1/1 Part, MIDC Hingna, Nagpur, Maharashtra **(Proposed Facility).** This strategic step is driven by our objective of maximizing production efficiency and reaping various economies of scale. At the proposed facility, we plan to manufacture special purpose electrodes and wire strips which are utilized in the production of flux cored wire.

The setting up of a dedicated slitting line for wire strip manufacturing grants us a significant backward integration advantage. This streamlined process enhances operational efficiency and ensures a seamless supply chain between our nearby facilities for flux cored wire production. By producing wire through the slitting line used in manufacturing of flux cored wire, we intend to unlock various economies of scale including bulk purchasing of raw materials and centralized production processes which will contribute in cost-effectiveness and enhancing the overall efficiency in production of Flux Cored Wires.

In addition to wire production, the proposed facility will also cater to the manufacturing of special purpose electrodes. Our current facility at T-5 & T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur, Maharashtra are being operated at optimum levels, hence this proposed capital expenditure will ensure catering to higher demand of special purpose electrodes.

Our Board in its meeting dated April 26, 2024, took note that an aggregate amount of ₹ 303.85 million proposes to utilize from the Net Proceeds towards setting up of proposed facility which will have overall installed capacity for production of wire strips of 1,200 Metric tons per annum and Special Purpose Electrodes of 600 Metric tons per annum.

Capacity and Schedule of Implementation

The installed capacity of the Proposed Facility is proposed to be an aggregate of 600 Metric Tons per annum for welding electrodes and one CR Coil Slitting Line of 1200 Metric Ton per annum as per the certificate dated September 19, 2024 issued by M/s. Sandeep Mashru & Co., Independent Chartered Engineer and is expected to commence production by third quarter of financial year 2025.

Sr. No	Particulars	Status / Expected commencement date	Expected completion date
1.	Land acquisition	Completed	
2.	Site development, civil and structural works	October 2024	April 2025
3.	Planning and procurement of equipment	November 2024	April 2025
4.	Erection and installation of equipment	January 2025	July 2025
5.	Trial run	November 2025	
6.	Commencement of commercial production	November 2025	

Estimated Cost

The total estimated cost for setting up the Proposed Facility comprises: (i) the acquisition of the land; (ii) Building and civil work (iii) the purchase of machineries (iv) Installation of solar power project and (v) Contingencies, which will be incurred by our Company from the Net Proceeds;

The details of estimated costs are set out below:

Sr. No	Particulars	Total Estimated Cost [(1)] (₹ in million)	Amount deployed as of September 16, 2024 [(2)] from Internal Accruals	Amount proposed to be funded from Net Proceeds
1.	Land	171.02[(3)]	126.02[(4)]	126.02[(4)]
2.	Building and Civil work	114.90	-	114.90
3.	Purchase of Machineries	37.56	-	37.56
4.	Installation of Solar Power Project	19.00	-	19.00
5.	Contingencies	6.37	-	6.37
	Total	**348.85**	**126.02**	**303.85**

[(1)] *Total estimated cost as per Chartered Engineer certificates dated September 19, 2024 issued by M/s. Sandeep Mashru & Co., Independent Chartered Engineer.*

[(2)] *As certified by PGS & Associates, Chartered Accountants, our Statutory Auditors, by way of their certificate dated September 16, 2024.*

[(3)] *Excluding stamp duty, registration charges and MIDC transfer premium / charges which will be borne by our Company through internal accruals.*

[(4)] *Out of ₹126.02 million paid by our Company from its internal accruals towards acquisition of Land for the Proposed Facility, ₹81.02 million will be recouped from Net Proceeds.*

1. *Land*

As part of our strategy to diversify and achieve operational efficiencies through backward integration, we propose to venture into manufacture of welding electrodes.

The Proposed Facility will be set up on leasehold land situated at Plot Nos. 33-B/1/1/ & 33-B/1/1/Part, MIDC, Hingna, Sonegaon District, Nagpur, Maharashtra admeasuring 6,125 sq. mtrs and 4,725 sq. mtrs respectively aggregating to 10,850 sq. mtrs. which has been agreed to be acquired from Universal Industrial Equipment and Technical Services Private Limited ("**Universal**") for an aggregate consideration of ₹ 171.02 million, out of which our Company has paid a sum of ₹ 90.00 million through its internal accruals. For this purpose, the parties have entered into a registered Deed of Assignment cum

Transfer dated February 9, 2024 whereunder Universal has transferred / assigned its leasehold rights in respect of the said land together with existing factory building in favour of our Company, subject to approval from MIDC. The said land was given on lease by MIDC for a term of ninety-five years beginning from June 01, 1973 to Ravindra Steel Limited (the original lessee) under the lease deed dated December 10, 1979. Accordingly, we will have leasehold rights over the said land for the remainder of the lease term up to May 31, 2068. Out of the sum of ₹ 126.02 million paid by our Company, ₹ 81.02 million will be recouped from the Net Proceeds. Thus, a total sum of ₹ 126.02 million (inclusive of aforesaid ₹ 81.02 million) shall be paid by our Company from the Net Proceeds towards acquisition of the land together with existing factory thereon.

2. *Building and Civil work*

Sr. No	Particulars	Total estimated cost (₹ in million)	Name of supplier / vendor	Date of Quotation	Validity of Quotation
1.	Foundation for factory shed and superstructure for RCC commercial building	53.21	Aashirwad Construction	July 11, 2024	September 30, 2024
2.	Structural steel work for building / shed	31.80			
3.	Miscellaneous work (road, compound wall, water tank and other miscellaneous work)	29.89			
	Total	**114.90**			

3. *Purchase of Machineries*

The costs associated with purchase of machinery by the Company for Proposed Facility are set out below:

Sr. No	Particulars$	Per Unit Cost (₹ in million)	Quantity	Total estimated cost (₹ in million)	Name of supplier / vendor	Date of Quotation	Validity of Quotation
1.	Lab S optical emission spectrometer for metal analysis**	11.08	1	11.08	Spectro Analytical Instruments GmbH Germany	July 10, 2024	October 08, 2024
2.	Horizontal extruder	1.88	2	3.75	Deccan dynamics	August 19, 2024	December 31, 2024
3.	Baking oven	1.01	4	4.06	Deccan dynamics	August 19, 2024	December 31, 2024
4.	Other machineries like dry mix rotary, wire straightening & cutting machine, flux stripping	-	-	9.83	Deccan dynamics	August 19, 2024	December 31, 2024

Sr. No	Particulars$	Per Unit Cost (₹ in million)	Quantity	Total estimated cost (₹ in million)	Name of supplier / vendor	Date of Quotation	Validity of Quotation
	machine, wire feeder, etc						
5.	Industrial high temperature oven	1.09	2	2.19	Sensoheat Engineering Equipments (I) Pvt. Ltd	March 22, 2024	December 15, 2024
6.	Flux Cored Wire (FCW) slitting line including gear box motor, pressure plate, coiler with de-coiler separator, etc.	2.00	1	2.00	Hemaxi Engg enterprise	August 21, 2024	November 30, 2024
7.	Strip Bobbin Winder Machine	2.32	2	4.65	Hemaxi Engg enterprise	August 21, 2024	November 30, 2024
	Total			**37.56**			

***** The quotation has been received in USD, which have been converted to ₹83.96 as on August 22, 2024 (Source: www.rbi.org.in.) The currency conversion rate of the appropriate currency will be taken while placing the orders.***

$ All the equipment will be new machinery. Further, we are yet to place orders for the total machinery and equipment of ₹37.56 million which constitutes 100% of the total cost of the machinery and equipment.

4. *Installation of Solar Power Project*

In line with our continued focus on strategic growth opportunities, our Company intends to install 400 kW rooftop solar power project, with a capacity of 400 kW at our manufacturing facility located at lot Nos. 33-B/1/1/ & 33-B/1/1/Part, MIDC, Hingna, Sonegaon District, Nagpur, Maharashtra taking into consideration the power requirements of the proposed project. The details of costing of such solar power project are set forth below:

Sr. No	Particulars	Total Estimated Cost (₹ in million)	Name of the Supplier / vendor	Date of Quotation	Validity of Quotation
1.	Quotation is for 400 kW rooftop solar power project which includes supplies, installation, testing, commissioning and project management	19.00	Reecode Enterprises	July 09, 2024	September 30, 2024
	Total	**19.00**			

5. Contingencies

We have created a provision for contingency of ₹ 6.37 Million, which is approximately 1.83% of total estimated cost, to cover various project related costs.

Government Approvals

In relation to the Proposed Facility, we are required to obtain certain approvals, which are routine in nature, from certain governmental or local authorities, the status of which is provided below as per Chartered Engineer certificate dated September 19, 2024, issued by M/s. Sandeep Mashru & Co., Independent Chartered Engineer.

Sr No.	Particulars	Stage when it is required	Status
1.	MIDC Approval on Transfer of Lease in favour of our Company	Before Start of Construction work	Received
2.	MIDC Approval on Plans for new building	Before Start of Construction work	Yet to Apply
3.	MIDC Approval for manufacturing of CR Sheet Slitting Line	Before Start of Construction work	Yet to Apply
4.	Consent to Establish from MPCB	Before Start of Construction work	Received
5.	Fire NOC	Before Start of Operation	Yet to Apply
6.	Structural Stability Certificate	Before Start of Operation	Yet to Apply
7.	DISH (Directorate of Industrial Safety & Health) Sanction Plan Approval	Before Start of Operation	Yet to Apply
8.	Factory License	Before Start of Operation	Yet to Apply
9.	Consent to Operation from MPCB	Before Start of Operation	Yet to Apply
10.	Building Completion Certificate - Existing	Available	Received
11.	Building Completion Certificate - New	After Completion of construction work	Yet to Apply

Means of finance

Apart from the amounts already incurred towards the above Object, the balance amount to be spent on the above Object shall be financed from the Net Proceeds and existing identifiable internal accruals. Therefore, the requirements under Regulation 7(1)(e) of the SEBI ICDR Regulations to make firm arrangements through verifiable means towards 75% of the stated means of finance are not applicable to this Issue.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on the certificate issued by M/s. Sandeep Mashru & Co., Independent Chartered Engineers dated September 19, 2024, our current business plan, managements estimates, and other commercial and technical factors. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management.

3. Funding Working Capital Requirements of the Company

Our business is working capital intensive and we fund a majority of our working capital requirements in the ordinary course of business from banks and through our internal accruals. Our Company requires additional working capital for funding its incremental working capital requirements in the Financial Years ended March 31, 2025. The funding of the incremental working capital requirements of our Company will help in achieving the proposed targets as per our business plan. We intend to utilize ₹ 220.00 million from the Net Proceeds to fund working capital requirements of our Company in the Financial Year ended March 31, 2025.

(a) Basis of estimation of working capital requirement

The details of our Company's working capital as at March 31, 2022, March 31, 2023 and March 31, 2024, derived from and the source of funding, on the basis of Restated Standalone Financial Statements as certified by M/s. PGS & Associates, Chartered Accountants, our Statutory Auditors, through their certificate dated September 16, 2024, are set out in the table below:

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current Assets			
Inventories	474.02	472.49	415.36
Trade receivables	646.80	730.17	477.98
Cash and bank balances	25.53	18.65	19.88
Other financial assets and current assets	200.13	114.96	60.40
Total Current Assets (A)	**1,346.48**	**1,336.26**	**973.62**
Current Liabilities			
Trade payables	308.84	247.50	277.34
Other financial liabilities	18.64	11.38	15.10
Other current liabilities	91.15	96.46	77.32
Total Current Liabilities (B)	**418.63**	**355.34**	**369.76**
Net Working Capital Requirements (A-B)	**927.85**	**980.92**	**603.86**
Source of funds			
Short Term Borrowings	337.08	459.29	213.06
Internal accruals / Net worth	590.77	521.63	390.80

(b) Future Working Capital

We propose to utilize ₹ 220.00 million of the Net Proceeds in the Financial Year ended March 31, 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 and borrowings. On the basis of our existing working capital requirements, management estimates and estimated working capital requirements, our Board of Directors pursuant to a resolution dated July 31, 2024, has approved the projected working capital requirements for the Financial Years ended March 31, 2025. See "*Material Contracts and Documents for Inspection – Material Documents*" on page 516. The proposed funding of such working capital requirements is set forth below:

(₹ in million)

Particulars	Estimated as at
	As at March 31, 2025
Current Assets	
Inventories	604.72
Trade receivables	849.92
Cash and bank balances	20.29
Other financial assets and current assets	240.16
Total Current Assets (A)	**1715.09**
Current Liabilities	
Trade payables	347.29
Other financial liabilities	13.42
Other current liabilities	89.72
Total Current Liabilities (B)	**450.43**
Net Working Capital Requirements (A-B)	**1264.66**
Source of funds	
Borrowings	340.00
Internal accruals / Net worth	704.66
Proceeds from the Issue	**220.00**

As per the Report dated September 16, 2024, issued by our Statutory Auditors, M/s. PGS & Associates, Chartered Accountant, have compiled and confirmed the working capital estimates and working capital projections.

(c) Assumptions for our estimated working capital requirements:

The table below sets forth the details of holding levels (with days rounded to the nearest whole number) for the Financial Years ended March 31, 2022 and March 31, 2023 and March 31, 2024 as well as projections for the Financial Year ended and March 31, 2025.

Provided below are details of the holding levels (days):

Particulars	As at March 31, 2022	As at March 31, 2023	As at March 31, 2024	As at March 31, 2025
Inventories	64	66	67	68
Trade receivables	83	90	98	95
Trade payables	72	68	68	66

Key justification for holding levels:

Inventories	Our inventory days, which represent the number of days our inventory is held, was 85 days in Fiscal 2021 due to impact of Covid-19 pandemic. However, from Fiscal 2022 onwards, our inventory days have shown a gradual increase i.e. 64 days, 66 days and 67 days for Fiscal 2022, Fiscal 2023 and for the period ended March 31, 2024, respectively. We expect our inventory days to be 68 days for Fiscal 2025. The reason behind this increase can be attributed to the nature of one of our business, specializing in manufacturing and fabrication of heavy engineering equipment, wear plates and wear parts. The production of such equipment inherently involves longer lead times.

	The higher lead times associated with the manufacturing of these equipment necessitates a larger inventory holding to meet customer demand promptly. Therefore, the growth in inventory days is a strategic response to the increased production requirements and the longer lead times associated with manufacturing of these equipment.
Trade Receivables	Over the past three fiscal years, we have observed variations in our trade receivables days. In Fiscal 2021, our trade receivables days were 92 days, which decreased to 83 days in Fiscal 2022 and then further increased to 90 days in Fiscal 2023. Our trade receivables days were 98 days for the Fiscal 2024. We expect our trade receivables days to be 95 days for Fiscal 2025. This trend is primarily driven by the characteristics of our customer base, predominantly comprising industries requiring heavy equipment. Customers in these sectors typically follow a payment practice where payments are made post-delivery and inspection, and the general payment terms extend to around 90 days. The prolonged credit period is a result of the trust and long-term relationships we maintain with our clients. As a result, our trade receivable days are in alignment with industry norms and the necessity to accommodate the payment practices prevalent in our customer base.
Trade Payables	The Covid-19 pandemic had also impacted our trade payables days which was 130 days in Fiscal 2021. Subsequently, our trade payables days observed a reduction in days, decreasing from 72 days in Fiscal 2022 to 68 Days in Fiscal 2023 to 68 days for the Fiscal 2024. We expect our trade payables days to increase to 66 days in Fiscal 2025. The reduction in days from Fiscal 2021 onwards to the Fiscal 2024, is indicative of our efficient management of payables and underscores our commitment to optimizing cash flows. However, the slight decrease in the estimated days in Fiscal 2025 is on account of our strategic decision to maintain better cash flows

As per the Report dated September 16, 2024, issued by our Statutory Auditors, M/s. PGS & Associates, Chartered Accountant

4. *General corporate purposes*

We will have flexibility in utilizing the balance Net Proceeds, aggregating to ₹ 184.30 million towards general corporate purposes, subject to such utilization not exceeding 25% of the aggregate of the gross proceeds from the Issue, in accordance with Regulation 7(2) of the SEBI ICDR Regulations, such as (i) part or full prepayment / repayment of our borrowings, (ii) strategic initiatives, investments in subsidiaries of our Company, (iii) business development initiatives (iv) meeting general corporate contingences, and (v) any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the Companies Act and applicable law. The quantum of utilization of funds towards the aforementioned purposes will be determined by our Board based on the amount actually available under the head "General Corporate Purposes" and the corporate requirements of our Company. However, our Company will not utilize the funds earmarked for general corporate purposes towards the Objects of the Issue and vice versa.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any which are not applied to the other purposes set out above.

In addition to the above, our Company may utilize the Net Proceeds towards general corporate purposes other expenditure (in the ordinary course of business) considered expedient and approved periodically by the Board, subject to compliance with necessary provisions of applicable laws. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change, based on the amount actually available under the respective head and the business requirements of our Company, from time to time.

Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹ 157.69 million. The expenses of the Issue include, among others, listing fees, underwriting fees, selling commission, fees payable to the BRLM, fees payable to legal counsel, fees payable to the Registrar to the Issue, escrow collection bank to the Issue and sponsor bank(s), including processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to Registered Brokers, collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The break-up for the estimated Issue Expenses is as follows:

Activity	**Estimated expenses (₹ in million) (2)**	**As a % of total estimated Issue Expenses (2)**	**As a % of total Issue size (2)**
BRLM fees and commissions (including any underwriting commission, brokerage and selling commission)	96.28	61.06	6.10
Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Issue. Brokerage, underwriting commission and selling commission and bidding charges for members of the Syndicate, Registered Brokers, RTAs and CDPs	24.32	15.42	1.54
Fees payable to Registrar to the Issue	4.00	2.54	0.25
Others			
- Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	22.43	14.22	1.42
- Printing and stationery	0.50	0.32	0.03
- Fee payable to legal counsel	4.05	2.57	0.26
- Advertising and marketing	1.85	1.17	0.12
- Miscellaneous (fees payable to statutory auditor, chartered engineer, architect, Industry report agency etc.)	4.26	2.70	0.27
Total estimated Issue expenses	**157.69**	**100**	**9.98**

(1) *Our Company has incurred ₹ 13.86 million towards Issue related expenses out of internal accruals.*

[2] *Issue expenses were finalized on determination of Issue Price and incorporated at the time of filing of the Prospectus. Issue expenses are estimates and are subject to change.*

[3] *Selling commission payable to members of the Syndicate, SCSBs, RTAs and CDPs on the amounts received against the Equity Shares Allotted (i.e. product of the Equity Shares Allotted and the Issue price) would be as follows:*

a. *Portion for Retail Individual Bidders – 0.35% of the Amount Allotted (plus applicable taxes)*

b. *Portion for Non-Institutional Bidders – 0.15% of the Amount Allotted (plus applicable taxes)*

c. *Portion for Eligible Employees – 0.35% of the Amount Allotted (plus applicable taxes)*

Further, bidding charges of ₹ 10/- (plus applicable goods and services tax) shall be per valid ASBA Form collected by the Syndicate, RTAs and CDPs (excluding applications made by Retail Individual Investors using the UPI Mechanism). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. No additional bidding charges shall be payable to SCSBs on the Bid cum Application Forms directly procured by them. Selling commission payable to the Registered Brokers on the portion for Retail Individual Investors, Eligible Employees and Non-Institutional Investors, which are directly procured by the Registered Brokers and submitted to SCSB for processing, shall be ₹ 10/- per valid Bid cum Application Form (plus applicable goods and services tax). In case the total processing charges payable exceeds ₹ 1.00 million, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed ₹ 1.00 million (Based on valid Bid cum Application Forms).

[4] *Processing fees payable to the SCSBs for Bid cum Application Forms which are procured by the Registered Brokers / RTAs / CDPs and submitted to the SCSB for blocking shall be ₹ 10/- per valid Bid cum Application Form (plus applicable taxes). In case the total processing charges payable exceeds ₹ 1.00 million, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed ₹ 1.00 million (Based on valid Bid cum Application Forms).*

Processing fees for applications made by Retail Individual Investors, Non-Institutional Investors and Eligible Employees using the UPI Mechanism would be as follows:

RTAs / CDPs/ Registered Brokers	*₹ 10/- per valid Bid cum Application Form (plus applicable taxes)**
Sponsor Bank(s)	*HDFC Bank Limited* *- up to 20,000 Valid UPI Applications ₹ Nil /- per valid application* *-Above 20,000 UPI valid applications - ₹ 5.00 +GST per UPI Valid Application* *ICICI Bank Limited* *- up to 50,000 Valid UPI Applications ₹ Nil /- per valid application* *-Above 50,000 UPI valid applications - ₹ 6.00 + GST per UPI Valid Application* *The Sponsor Bank shall be responsible for making payments to third parties such as the remitter bank,*

	the NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws.

**In case the total processing charges payable under this head exceeds ₹ 1.00 million, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed ₹ 1.00 million*

Interim use of Net Proceeds

The Net Proceeds pending utilization for the purposes stated in this section, shall be deposited only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity shares of any other listed company or for any investment in the equity markets. Our Company will ensure that the interim use of the Net Proceeds will be in compliance with all the applicable laws.

Bridge financing facilities

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.

Monitoring utilization of funds

Since this is entirely a fresh Issue and Issue size is in excess of ₹ 1,000 million, our Company has appointed CRISIL Ratings Limited, a credit rating agency registered with SEBI for monitoring the utilization of the Gross Proceeds, in terms of Regulation 41 of the SEBI ICDR Regulations. Our audit committee and the monitoring agency will monitor the utilization of the Gross Proceeds and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Gross Proceeds have been utilized in full.

Our Company will disclose the utilization of the Gross Proceeds, including interim, use under a separate head in our balance sheet for such financial year as required under applicable law, specifying the purposes for which the Gross Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable financial years, provide details, if any, in relation to all such Gross Proceeds that have not been utilized.

Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the audit committee the uses and applications of the Gross Proceeds. The audit committee will make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilized 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 Gross Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Further, 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 utilization of the proceeds of the Issue from the Objects as stated above; and (ii) details of category wise variations in the actual utilization of the proceeds of the Issue from the Objects 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 Director's report, after placing the same before the audit committee.

Variation in objects of the issue

In accordance with Sections 13(8) and 27 of the Companies Act, and Regulation 59 and Schedule XX of the SEBI ICDR Regulations, any material deviation in the Objects of the Issue will require our Company to obtain the approval of the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution (postal ballot notice) shall specify the prescribed details and be published in accordance with the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English, one in Marathi, (Marathi also being the regional language of the jurisdiction where our Registered Office is situated). Pursuant to the Companies Act, our Promoters will be required to provide an exit opportunity to the shareholders who do not agree to such material deviation of the Objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act and provisions of Schedule XX of the SEBI ICDR Regulations.

Appraising agency

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any agency.

Other confirmations

No part of the Net Proceeds will be utilized by our Company as consideration to our Promoters, members of our Promoter Group, our Directors, our Group Companies or Key Managerial Personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with our Directors, our Promoters, the members of our Promoter Group, the Key Managerial Personnel or our Group Companies in relation to the utilization of the Net Proceeds of the issue. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects of the Issue as set out above.

Except for the Horizontal Boring Machine for an estimated sum of ₹ 20.44 million as set out under "*- Purchase of Machinery*" on page 164, there are no second-hand or used equipment is proposed to be purchased out of the Net Proceeds.

None of the vendors from whom we have procured quotations are related or connected to our Company, Promoters, Subsidiaries, Directors, Key Managerial Personnel, Senior Management and Group Companies.

Our Promoters, Directors, Key Managerial Personnel, Senior Management Personnel and Group Companies do not have any interest in the proposed objects.

BASIS FOR ISSUE PRICE

The Price Band and the Issue Price will be determined by our Company in consultation with the BRLM, and on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Floor Price is 15.9 times the face value and the Cap Price is 16.8 times the face value.

Investors should refer to "*Risk Factors*", "*Our Business*", "*Financial Statements*" and "*Management Discussion and Analysis of Financial Position and Results of Operations*" on pages 37, 325, 292 and 371, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- **Synergistic business models focused on forward integration:** Our Company has manufactured 602.26 MT, 532.65 MT and 638.16 MT of special purpose electrodes for the Fiscals 2024, 2023 and 2022, respectively. Out of which we have captive consumption of 20.25%, 37.29% and 31.27% for the Fiscals 2024, 2023 and 2022, respectively. Our Company has manufactured 1,613.70 MT, 1,508.13 MT and 1,324.37 MT of flux cored wires for the Fiscals 2024, 2023 and 2022, respectively. Out of which we have captive consumption of 77.01%, 82.43% and 79.82% for the Fiscals 2024, 2023 and 2022, respectively.
- **Serving industry leaders directly as well as through OEMs:** Our Company serves 472, 473 and 423, direct customers for the Fiscals 2024, 2023 and 2022, respectively which constitutes 72.25%, 70.68% and 66.60% contribution in our standalone revenue from operations.
- **Consistent financial performance:** Our revenue from operations has grown from ₹878.37 million in Fiscal 2013 to ₹ 2,571.26 million in Fiscal 2024, registering a CAGR of 10.26% in last 11 years.
- **Long-standing relationships with customers across industries**: We have a diversified customer base and we have served 503, 500 and 444 customers for the Fiscals 2024, 2023 and 2022, respectively.
- **Experienced promoters and strong management team:** Prashant Garg, Promoter and Managing Director of our Company and a second-generation entrepreneur has been associated with our Company since 2003. He has a rich experience of nearly two decades in the industry we operate.
- Strategically located manufacturing facilities.

For further details, see *"Risk Factors"* and *"Our Business"* on pages 37 and 325, respectively.

Quantitative Factors

The information presented in this section is derived from our Restated Consolidated Financial Statements. For details, see *"Financial Statements"* on page 371. Investors should evaluate our Company and form their decisions taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Issue price are as follows:

1. **Basic and Diluted Earnings per Share (EPS), as adjusted for changes in capital.**

Year ended	**Basic EPS *(in ₹)***	**Diluted EPS *(in ₹)***	**Weight**
Fiscal 2024	10.94	10.94	3
Fiscal 2023	7.91	7.91	2
Fiscal 2022	6.08	6.08	1
Weighted Average	**9.12**	**9.12**	

Notes:

a) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights, i.e. (EPS x weight) for each year divided by the total of weights.*
b) *Basic and diluted EPS are based on the Restated Consolidated Financial Information.*
c) *The face value of each Equity Share is ₹10.*
d) *Earnings per Share (₹) = Profit after tax excluding before other comprehensive income attributable to equity shareholders for the year/period divided by the weighted average no. of equity shares. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue of Equity Shares.*
e) *Basic EPS and diluted EPS calculations are in accordance with Indian Accounting Standard 33 'Earnings per Share'.*
f) *The above statement should be read with significant accounting policies and the notes to the Restated Consolidated Financial Statement.*

2. **Price / Earning (P/E) Ratio in relation to Price band of ₹ 159 to ₹ 168 per Equity Share**

Particulars	**P/E at the lower end of the price band (no. of times)**	**P/E at the higher end of the price band (no. of times)**
a) P/E ratio based on Basic EPS as at March 31, 2024	14.53	15.35
b) P/E ratio based on Diluted EPS as at March 31, 2024	14.53	15.35

Industry Price / Earning (P/E) Ratio

Based on the peer company information (excluding our Company) given below in this section:

Particulars	**P/E ratio**
Industry	
Highest	35.88
Lowest	29.01
Average	32.45

Notes: P/E ratio has been computed based on the closing market price of equity shares on NSE as on September12, 2024, divided by the diluted EPS for the year ended March 31, 2024.

3. **Return on Net Worth (RONW):**

Year ended	**RoNW (%)**	**Weight**
Fiscal 2024	18.52	3
Fiscal 2023	16.86	2
Fiscal 2022	15.10	1
Weighted Average	**17.40**	

Notes:

a) *RoNW = Net Profit after tax, as restated, divided by average net-worth, as restated (Equity attributable to the owners of the company, excluding non-controlling interest)*
b) *The figures disclosed above are based on the Restated Consolidated Financial Statements of our Company.*

4. **Net Asset Value (NAV) per Equity Share**

Financial Year	Net Asset Value per equity shares
As of March 31, 2024	68.06
After Completion of the Issue	
- At the Floor Price	90.91
- At the Cap Price	93.17
Issue Price	168.00

Notes:

a) *Net asset value per equity share is calculated as net worth as of the end of relevant year divided by the weighted number of equity shares outstanding at the end of the year. Net worth represents the aggregate value of equity share capital, instruments entirely equity in nature and other equity and are based on Restated Consolidated Financial Statement*.

5. **Comparison with listed industry peer:**

Following is the comparison with our peer companies listed in India:

Name of the Company	**For the year ended March 31, 2024**						
	Face value (₹)	**Revenue from operations (₹ in Mn)[1]**	**Basic EPS (₹)**	**Diluted EPS (₹)**	**P/E (based on Diluted EPS)**	**Return on net worth (%)**	**NAV per Equity Share (₹)**
Diffusion Engineers Limited	10	2,781.44	10.94	10.94	15.35	18.52%	68.06
Peer Group							
Ador Welding Limited	10	8,838.30	46.46	46.46	29.01	18.43%	266.49
AIA Engineering Limited	2	48,537.61	120.4	120.4	35.88	18.41%	705.86

Source: All the financial information for listed industry peers mentioned above is on a consolidated/Standalone basis as available sourced from the financial Reports of the peer company uploaded on the NSE website for the year ended March 31, 2024.

Notes:

1. *P/E Ratio has been computed based on the closing market price of equity shares on the NSE website on September12, 2024, divided by the Diluted EPS.*
2. *Net Profit after tax, as restated/Average Net-worth, as restated at the end of the relevant period (Equity attributable to the owners of the company, excluding non-controlling interest)*
3. *NAV is computed as the closing net worth divided by the weighted outstanding number of equity shares.*

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", *Management Discussion and Analysis of Financial Position and Results of Operations*" and "*Financial Information*" on pages 37, 325, 292 and 371, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" and you maylose all or part of your investments.

6. **Key financial and operational performance indicators ("KPIs")**

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

KPI	Explanations
Revenue from Operations (₹ million)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and sizeof our business.
Total Revenue	Total Revenue is used to tack the total revenue generated by the business including other income.
EBITDA (₹ million)	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance ofour business.
Restated profit for the year (₹ million)	Restated profit for the year provides information regarding the overall profitability of the business.
Restated profit for the year as % of Total Revenue (PAT margin)	PAT Margin is an indicator of the overall profitability and financial performance of ourbusiness.
Average Capital Employed	Average Capital Employed (ACE) is a key financial metric used to assess how efficiently a company utilizes its invested capital, providing insights into profitability and guiding decision-making for optimal resource allocation and performance improvement
Return on Capital Employed	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
Debt To Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage.
Interest Coverage Ratio	The interest coverage ratio is a debt and profitability ratio used to determine how easily a company can pay interest on its outstanding debt.
Current Ratio	It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables.
Net Capital Turnover Ratio	This metric enables us to track how effectively company is utilizing its working capital to generate revenue.
Revenue per sales person	This metric calculates the average revenue generated by each salesperson, providing insights into individual sales performance and overall sales team efficiency.
Revenue per order of Wear Plates and Job Work	This metric assesses the average revenue generated per order specifically for wear plates and job work, offering valuable insights into the product/service segment's contribution to overall revenue.
Revenue per order of Heavy Engineering Division	This metric measures the average revenue generated per order for the Heavy Engineering Division, helping evaluate the division's financial performance and contribution to the company's overall revenue.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated July 31, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three financial years preceding the date of filing of this Prospectus. Further, the KPIs herein have been certified by M/s. PGS & Associates, Chartered Accountants, by their certificate dated September 16, 2024**.**

Financial KPI of our Company

(₹ in Million, except percentages)

Particulars	Fiscal		
	2024	**2023**	**2022**
Financial KPIs			
Revenue from operations	2,781.44	2,548.76	2,045.89
Other Income	74.17	37.95	41.58
EBITDA	473.88	347.97	275.22
EBITDA margin	17.04%	13.65%	13.45%
Restated profit for the year	308.04	221.45	170.46
Restated profit for the year as % of Total Revenue (PAT margin)	10.79%	8.56%	8.17%
Average Capital employed	2,076.14	1,676.66	1,350.28
ROCE (%)	20.63%	18.46%	17.30%
ROE (%)	18.52%	16.86%	15.10%
Debt-to-Equity ratio	0.18	0.34	0.20
Interest Coverage Ratio	26.99	15.16	19.90
Current Ratio	1.89	1.70	1.69
Net Capital Turnover Ratio	4.50	5.18	4.99

Notes:

a) *As certified by M/s. PGS & Associates, Chartered Accountants pursuant to their certificate dated September 16, 2024. The Audit committee in its resolution dated July 31, 2024 has confirmed that the Company has not disclosed any KPIs to any investors at any point of time during the three years preceding the date of this Red Herring Prospectus other than as disclosed in this section.*

b) *Revenue from Operations means the Revenue from Operations as appearing in the Restated Consolidated Financial Statements.*

c) *EBITDA refers to earnings before interest, taxes, depreciation, amortization, gain or loss from discontinued operations. EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.*

d) *Restated Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by our total revenue.*

e) *Average Capital employed is calculated as the average of opening and closing Net worth and total debt during the period.*

f) *RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by average capital employed. Average Capital employed is calculated as the average of opening and closing Net worth and total debt during the period.*

g) *Return on equity (RoE) is equal to profit for the year divided by the average total equity and is expressed as a percentage.*

h) *Debt to equity ratio is calculated by dividing the debt (i.e., borrowings (current and non-current) and current maturities of long-term borrowings) by total equity (which includes issued capital and all other equity reserves).*

i) *Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBIT by finance cost.*
j) *Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.*
k) *Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our total income by our average working capital (i.e., current assets less current liabilities).*

See "*Management Discussion and Analysis of Financial Position and Results of Operations*" on page 371 for the reconciliation and the manner of calculation of our key financial performance indicators.

Further, set forth below are some of our key operational performance indicators as of and for the periods indicated which have been approved our Audit Committee pursuant to its resolution dated July 31, 2024.

Operational KPIs for the Company

Sr No.	Metric	Fiscal		
		2024	2023	2022
1	Revenue per sales person	17.72	17.10	13.82
2	Revenue per order of Wear Plates and Job Work	0.59	0.59	0.44
3	Revenue per order of Heavy Engineering Division	1.80	2.99	3.37

Note:
a) *Revenue per sales person is total revenue from operation for the fiscals 2024, 2023 and 2022 is ₹2,781.44 million, ₹2,548.76 million and ₹2,045.89 million (on consolidated basis) divided by total strength employees for sales department as of the last day of the relevant period, for the fiscals 2024, 2023 and 2022 is 157 employees, 149 employees and 148 employees respectively, (including employees of subsidiaries) i.e. average sale by an individual.*
b) *Revenue per order of Wear Plates and Job Work is total revenue from operation of Fabrication and Job Work for the fiscals 2024, 2023 and 2022 is ₹ 469.11 million, ₹467.90 million and ₹ 333.50 million respectively of Unit divided by total orders executed for the fiscals 2024, 2023 and 2022 is 790 projects, 794 projects and 760 projects, respectively. This shows the average size per order.*
c) *Revenue per order of Heavy Engineering Division is total revenue from operation of Heavy Engineering Division work for the fiscals 2024, 2023 and 2022 is ₹ 722.73 million, ₹531.34 million and ₹550.11 million, respectively divided by total orders executed for the fiscals 2024, 2023 and 2022 is 401 projects, 178 projects and 163 projects, respectively. This shows the average size per order.*

For further information in relation to historical use of such KPIs by our Company to monitor the operational and/or financial performance of our Company, "*Our Business - Key Performance Indicators*" on pages 235.

Comparison of financial KPIs and Operational KPIs of our Company and our listed peer.

Metric	Diffusion Engineers Limited			Ador Welding Limited			AIA Engineering Limited		
	As of and for the Fiscal 2024	As of and for the Fiscal 2023	As of and for the Fiscal 2022	As of and for the Fiscal 2024	As of and for the Fiscal 2023	As of and for the Fiscal 2022	As of and for the Fiscal 2024	As of and for the Fiscal 2023	As of and for the Fiscal 2022
Financial KPI's									
Revenue From operations	2,781.44	2,548.76	2,045.89	8,838.30	7,767.60	6,614.80	48,537.61	49,087.69	35,665.47
EBITDA	473.88	347.97	275.22	899.20	872.10	583.70	13,352.68	12,406.41	7,209.45
EBITDA Margin (%)	17.04%	13.65%	13.45%	10.17%	11.23%	8.82%	27.51%	25.27%	20.21%
Restated profit for the year	308.04	221.45	170.46	631.90	600.90	360.40	11,369.92	10,565.00	6,196.18
Restated profit for the year as % of Total Revenue (PAT margin)	10.79%	8.56%	8.17%	7.05%	7.67%	5.40%	22.14%	20.54%	16.64%
Average Capital employed	2,076.14	1,676.66	1,350.28	3,721.30	3,109.85	2,740.15	66,498.31	54,725.63	45,932.94
Return on Capital Employed (ROCE) (%)	20.63%	18.46%	17.30%	24.07%	26.45%	19.32%	22.80%	25.26%	17.09%
Return on Equity (ROE) (%)	18.52%	16.86%	15.10%	18.43%	19.85%	13.88%	18.41%	20.23%	15.73%
Debt To Equity Ratio	0.18	0.34	0.20	0.12	0.05	0.00	0.07	0.09	0.00
Operational KPI's									
Revenue per sales person	17.72	17.10	13.82	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Revenue per order of Wear Plates and Job Work	0.59	0.59	0.44	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Revenue per order of Heavy Engineering Division	1.80	2.99	3.37	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Notes:

a) *Revenue from Operations means the Revenue from Operations as appearing in the Restated Consolidated Financial Statements.*

b) *EBITDA refers to earnings before interest, taxes, depreciation, amortization, gain or loss from discontinued operations. EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.*
c) *Restated Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by our total revenue.*
d) *Average Capital employed is calculated as average of opening and closing Net worth and total debt during the period.*
e) *RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by average capital employed. Average Capital employed is calculated as the average of opening and closing Net worth and total debt during the period.*
f) *Return on equity (RoE) is equal to profit for the year divided by the average total equity and is expressed as a percentage.*
g) *Debt to equity ratio is calculated by dividing the debt (i.e., borrowings (current and non-current) and current maturities of long-term borrowings) by total equity (which includes issued capital and all other equity reserves).*
h) *Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBIT by finance cost.*
i) *Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.*
j) *Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our Total income by our average working capital (i.e., current assets less current liabilities).*
k) *Revenue per Sales persons is total revenue from operation (consolidated) divided by total sales strength (including subsidiaries) i.e. average sale by an individual.*
l) *Revenue per order of Wear Plates and Job Work is total revenue from operation of Fabrication and Job Work of Unit divided by total orders executed. This shows the average size per order.*
m) *Revenue per order of Heavy Engineering Division is total revenue from operation of Heavy Engineering Division divided by total orders executed. This shows the average size per order.*

7. **Weighted average cost of acquisition ("WACA"), floor price and cap price**

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

There has been no primary/ new issue of Equity Shares or convertible securities and issuance of bonus shares, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more that 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuance")

Date	**No. of equity shares allotted***	**Face value per equity share (₹)**	**Issue price per equity share (₹) ***	**Nature of allotment**	**Nature of considera tion**	**Total Considera tion (in ₹ million)**
October 11, 2023	1,858,990	10	108.86	Preferential Allotment	Cash	202.36
Weighted average cost of acquisition						**108.86**

**Adjusted for bonus shares allotted in the ratio of six equity shares for every one equity share pursuant to allotment dated November 29, 2023.*

(b) The price per share of our Company based on secondary sale/ acquisitions of shares (equity / convertible securities

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where our Promoters, members of our Promoter Group or Shareholder(s) having the right to nominate director(s) in 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-Issue capital before such transaction(s)),in a single transaction or multiple transactions combined together over a span of rolling 30 days

Floor price and cap price being 1.46 times and 1.54 times the weighted average cost of acquisition (WACA) based on primary/ secondary transaction(s) as disclosed in terms of clause (a) and (b), shall be disclosed in the following manner:

Past Transactions	Weighted average cost of acquisition (₹)	Floor Price ₹ 159	Cap Price ₹ 168
WACA of Equity Shares that were issued by our Company[1]	108.86	1.46	1.54
WACA of Equity Shares that were acquired or sold by way of secondary transactions	NA	NA	NA

For the purpose of calculating weighted average price, the price per equity shares is multiplied with number of equity shares acquired, thereafter, this acquisition cost is adjusted for any sale of equity shares at cost price (on a first-in-first-out basis) and corporate actions such as bonus, split etc. These results are added and divided by the total number of shares held.

8. **Justification for Basis for Issue Price.**

Set out below is an explanation for Issue Price / Cap Price being 1.54 times of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in paragraph 7(a) and 7(b) above) along with our Company's key performance indicators and for the Fiscals 2024, 2023 and 2022 and in view of the external factors which may have influenced the pricing of the Issue, if any:

1) Amongst the players considered for the industry between fiscal 2021-2024, our Company recorded third highest CAGR of 21% in operating income, second highest CAGR of 38% in profit after tax and third highest CAGR of 33% in EBITDA. (Source: CRISIL Report)
2) Welding consumables market in India is estimated at around Rs 51 billion in fiscal 2024, with fiscal 2027 projections around Rs 64-66 billion. (Source: CRISIL Report)
3) The wear plates market in India is estimated at around Rs 22 billion in fiscal 2024 and is expected to grow at a CAGR of 8-9% to ~Rs 28 billion in fiscal 2027. (Source: CRISIL Report)
4) We serve diverse clientele, which includes both OEMs who service major players in the cement, steel, and power sectors, as well as direct customers. These OEMs, in turn, service major players of their respective industry. This intricate network positions us as a vital link in the OEM ecosystem of some of the major players in core industries.
5) We have, through over 4 decades of business operations, established long-standing relationships with several Indian and global customers across industries. We have a diversified customer base and we have served 503, 500 and 444 customers for the Fiscals 2024, 2023 and 2022, respectively.

1

6) Prashant Garg, Promoter and Managing Director of our Company and a second-generation entrepreneur has been associated with our Company since 2003. He has a rich experience of nearly two decades in the industry we operate.

9. **The Issue Price is 16.8 times of the Face Value of the Equity Shares.**

The Issue Price of ₹ 168 has been determined by our Company in consultation with the BRLM, on the basis of market demand from investors for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Management Discussion and Analysis of Financial Position and Results of Operations*" and "*Restated Consolidated Financial Statement*" on pages 37, 325, 292 and 371, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "Risk Factors" and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO DIFFUSION ENGINEERS LIMITED ("THE COMPANY") AND THE SHAREHOLDERS OF THE COMPANY UNDER THE DIRECT AND INDIRECT TAX LAWS IN INDIA

To,
The Board of Directors
Diffusion Engineers Limited
T-5/6 MIDC, Hingna Industrial Area

Dear Sir(s):

Sub: Statement of possible Special Tax Benefits available to the Company and its equity shareholders under the direct and indirect tax laws

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We refer to the proposed initial public offering of the equity shares (the "Issue") of Diffusion Engineers Limited (the "**Company**"). We enclose herewith the statement in Annexure A showing the current position of possible special tax benefits available to the Company and to its shareholders under the applicable direct and indirect tax laws presently in force in India including the Income Act, 1961 and Income tax Rules, 1962, as amended by the Finance Act, 2024 (hereinafter referred to as "Income Tax Laws") the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under, Foreign Trade Policy including the rules, regulations, circulars and notifications issued there under and other tax laws (collectively the "**Tax laws**") relevant to the financial year 2024-25 and relevant to the assessment year 2025-26 presently in force in India for inclusion in the Red Herring Prospectus ("**RHP**") and Prospectus ("**Prospectus**") for the proposed initial public offering of equity shares of the Company, as required under SEBI ICDR Regulations.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or its shareholders to derive the stated possible special direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives that the Company or its shareholders may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill.

The possible special tax benefits discussed in the enclosed annexure are neither exhaustive nor conclusive. conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. 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 proposed Issue. We are neither suggesting nor advising the investor to invest money based on this statement. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI and in accordance with 'Guidance Note on Reports in Company Prospectuses' (Revised 2019). We hereby confirm that while providing this certificate we have complied with the above guidance notes.
We do not express any opinion or provide any assurance as to whether:

i) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or
ii) the conditions prescribed for availing the benefits have been/would be met with; and
iii) the revenue authorities / courts will concur with the views expressed herein.

We hereby give consent to include this report and the statement of possible special tax benefits regarding the possible special tax benefits available to the Company and its shareholders enclosed in Annexure A in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus which the Company intends to file in relation to the Issue and submission of this report, as may be necessary, to the Registrar of Companies, Rajasthan at Jaipur, Stock Exchange(s), SEBI, or any other regulatory authority and for the records to be maintained by the Company, Book Running Lead Manager in connection with the Issue and in accordance with applicable law.

Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Offer Documents.

Yours sincerely,

For PGS & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No.: 122384W

Premal H Gandhi
Partner
Membership No: 111592

Place: Mumbai
Date: September 16, 2024
UDIN: 24111592BKBIQE8819

Annexure-A

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

The information provided below sets out the possible special tax benefits available to Diffusion Engineers Limited ("the Company") and its Equity Shareholders in a summary manner and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership, and disposal of Equity Shares of the Company, under the current Tax Laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives a shareholder faces, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company and its shareholders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing tax laws, each investors is advised to consult his own tax consultant with respect to the tax implications arising out of their participation in the Issue of particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. <u>Lower corporate tax rate on income of domestic companies – Section 115BAA of the Income-tax Act, 1961 ('the IT Act')</u>

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfillment of certain conditions. The option to apply this tax rate is available from Financial Year ('FY') 2019-20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised through filing of Form 10IC on the Income tax portal shall apply to subsequent assessment years. The concessional tax rate of 22% is subject to the company not availing any of the following deductions under the provisions of the IT Act:

- Section10AA: Tax holiday available to units in a Special Economic Zone
- Section 32(1)(iia): Additional depreciation;
- Section 32AD: Investment allowance.
- Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses
- Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research.
- Section 35AD: Deduction for capital expenditure incurred on specified businesses.
- Section 35CCC/35CCD: expenditure on agricultural extension /skill development
- Chapter VI-A except for the provisions of section 80JJAA and section 80M.

The total income of a company availing the concessional rate of 25.168% (i.e., 22% along with surcharge of 10% and health and education cess of 4%) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the IT Act. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the IT Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

Note: The Company has opted the lower rate under section 115BAA of the IT Act in the FY 2019-20 relevant to the AY 2020-21 as mentioned in the Section 115BAA for which declaration (Form 10IC) has already been filed with the tax authorities.

2. Deductions in respect of employment of new employees – Section 80JJAA of the IT Act

As per section 80JJAA of the IT Act, where a company is subject to tax audit under section 44AB of the IT Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the IT Act.

The company is presently not claiming deduction under section 80JJAA of the IT Act. However, this 134 deduction could be claimed in the future subject to fulfillment of the conditions discussed above.

3. Deduction with respect to inter-corporate dividends – Section 80M of the IT Act

As per the provisions of section 80M of the IT Act, inserted with effect from 01 April 2020, a domestic company shall be allowed to claim a deduction of dividend income earned from any other domestic company or a foreign company or a business trust. The amount of deduction so claimed should not exceed the amount of dividend distributed by it on or before the due date. In this case, due date means one month prior to the due date of furnishing return of income under sub section (1) of section 139 of the IT Act.

The company has a wholly owned subsidiary viz. ASK Automobiles Private Limited and thus, the company should be eligible to claim deduction u/s 80M of the IT Act in respect of dividends received (if any) from its subsidiary and further distributed to its shareholders subject to fulfillment of other conditions.

4. Deductions in respect of specified expenditure

In accordance with and subject to the fulfillment of conditions as laid out under section 35D of the IT Act, the company may be entitled to amortize preliminary expenditure, being specified expenditure incurred in connection with the issue for public subscription or such other expenditure as prescribed under section 35D of the IT Act, subject to the limit specified therein (viz maximum 5% of the cost of the project or 5% of the capital employed in the business of the company).

The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed, or the new unit commences production or operation.

With effect from AY 2024-25, the company shall be required to furnish a statement in Form 3AF containing the particulars of expenditures specified u/s 35D of the IT Act to such income tax authority prior to one month before the due date of filing Income tax return as per section 139(1) of the IT Act.

B. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

- Long term capital gains on transfer on shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of Section 112A of the Act at 12.5% (plus applicable surcharge and cess).
- Short term capital gains arising on transfer of shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of Section 111A of the Act at 20% (plus applicable surcharge and cess).
- Non-resident shareholders including foreign portfolio investors may choose to be governed by the provisions of Double Taxation Avoidance Agreement, to the extent they are more beneficial.

Notes:

- These tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
- This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.
- The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only. The benefits listed above may not be exhaustive or comprehensive and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- This statement is intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. The list of benefits contains certain recently enacted legislation that may not have a direct legal precedent or may have different interpretation on the benefits. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

C. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS:

Outlined below are the possible tax benefits available to the Company and its shareholders under the indirect tax laws in force in India. This Statement is as per the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 (“GST Acts”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”), as amended by the Finance Act 2023 including the relevant rules, notifications and circulars issued there under, applicable for the Financial Year 2023-24 and Foreign Trade Policy, 2023, presently in force in India. Special tax benefits available to the Company

- The Company has one active GSTIN operating in the state of Maharashtra.
- We understand that the Company has earnings in foreign exchange. For cross border transactions that entail inward remittance of foreign currency, there are specific benefits which have been provided under Indirect tax laws/regulations subject to fulfillment of prescribed conditions.
- The Company has availed certain benefits on import of goods, which are used for manufacture of exported goods, subject to fulfillment of conditions laid down under the Foreign Trade Policy, 2023 and Customs Law.

D. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY:

- The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company. Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017.
- Apart from above, the shareholders of the Company are not eligible to special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, including the relevant rules, notifications and circulars issued there under.

Notes:

- This Statement covers only certain relevant indirect tax law benefits and does not cover any other benefit under any other law in force in India. This Statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
- These tax benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Indian indirect tax regulation. Hence, the ability of the Company to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil.
- The tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
- The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:

  i. the Company or its shareholders will continue to obtain these benefits in future;

  ii. the conditions prescribed for availing the benefits have been/ would be met with; and

  iii. the revenue authorities/courts will concur with the view expressed herein.

The above views are based on the existing provisions of laws and its interpretation, which are subject to change from time to time.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from the report titled "Assessment of welding consumables, wear plates and Heavy engineering equipment market in India" dated September 2024 ("CRISIL Report") that has been prepared and issued by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited, and which has been exclusively commissioned and paid for by our Company for an agreed fee, exclusively for the purpose of the Issue. CRISIL Limited is not in any way related to our Company, our Directors, our Promoters, our Key Managerial Personnel, our Senior Management or the BRLM. Unless specified otherwise, all information in this section has been derived from CRISIL Report. CRISIL Market Intelligence & Analytics has prepared the CRISIL Report in an independent and objective manner and it has taken reasonable care to ensure its accuracy and completeness. A copy of the CRISIL Report is available on the website of our Company at https://www.diffusionengineers.com/investors-relation. The data may have been re-classified by us for the purposes of presentation. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. 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 financial information used herein is based solely on the audited financials of the Company and other peers. The recipient should not construe any of the contents in CRISIL 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. You should read the entire Prospectus, including the information contained in the sections titled "Risk Factors" and "Restated Consolidated Financial Statements" and related notes beginning on page 37 and 325 respectively of this Prospectus.

Macroeconomic assessment

Global macroeconomic assessment

As per the International Monetary Fund's (IMF) July 2024 update, global gross domestic product (GDP) growth is projected at 3.2% and 3.3% in 2024 and 2025 respectively. The latest estimate for 2024 is in line with IMF's previous forecast in April 2024, mainly due to stabilization of economic activities and strong first quarter growth in many countries. Emerging market and developing economies are also expected to experience stable growth through 2024 and 2025, with regional differences.

India among the world's fastest-growing key economies

Following the recovery from the COVID-19 pandemic, India exhibited a faster growth rate of 7.0% in FY2023, surpassing both advanced economies at 2.6% and emerging and developing economies at 4.1%. This trend is expected to continue, with India leading the growth compared to its key counterparts

Real GDP growth by geographies- %

Regions	2018	2019	2020	2021	2022	2023	2024P	2025P
US	3.0	2.5	-2.2	5.8	1.9	2.5	2.6	1.9
Euro area	1.8	1.6	-6.1	5.9	3.4	0.4	0.8	1.5

Canada	2.7	1.9	-5.0	5.3	3.8	1.1	1.2	2.3
UK	1.4	1.6	-10.4	8.7	4.3	0.1	0.7	1.5
China	6.8	6.0	2.2	8.4	3.0	5.2	5.0	4.5
Japan	0.6	-0.4	-4.1	2.6	1.0	1.9	0.7	1.0
India*	6.5	3.9	-5.8	**9.7***	**7.0***	**8.2***	**7.0***	**6.5**
World	**3.6**	**2.8**	**-2.7**	**6.5**	**3.5**	**3.3**	**3.2**	**3.3**

Note: P: *Projected. * Numbers for India are for financial year (2020 is FY2021 and so on) and as per the IMF's forecast. ^India GDP estimate for the FY2024 is 8.2% according to provisional estimates from MoSPI.*
Note: Projection as per IMF update
Source: IMF economic database, CRISIL Market Intelligence and Analytics (MI&A)

India's macroeconomic assessment

India's real GDP grew at 5.9% CAGR between FY12 and FY24

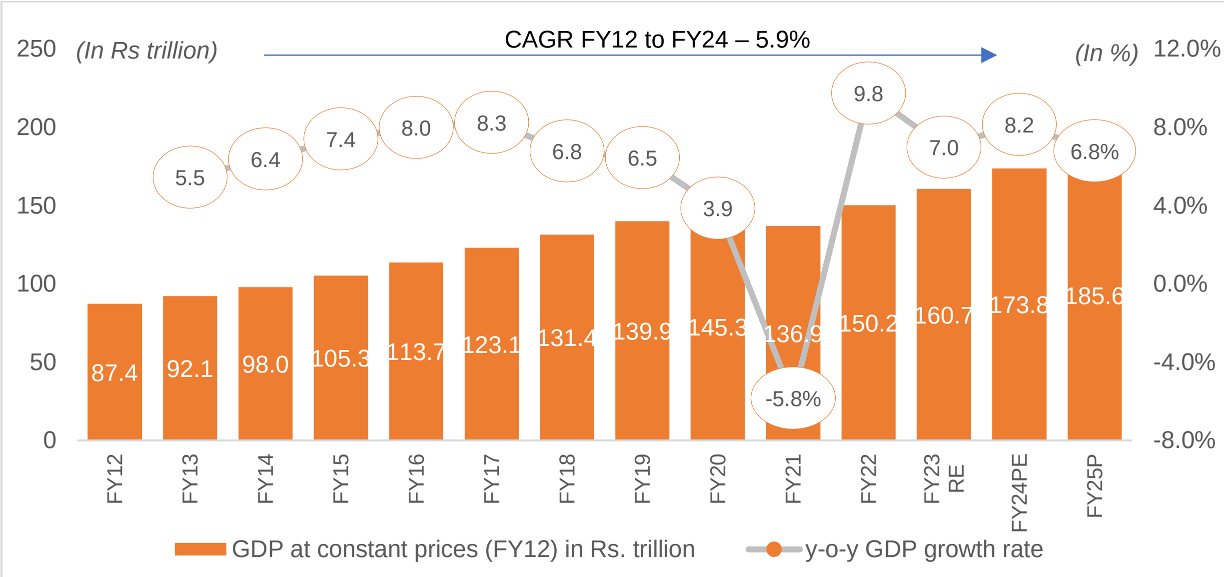
India's GDP grew at 5.9% compounded annual growth rate (CAGR) between FY12 and FY24 to Rs 173.8 trillion in FY24. A large part of the lower growth rate was because of challenges heaped by the Covid-19 pandemic in FY20 and FY21. In FY22, the economy recovered with abating of the pandemic and subsequent easing of restrictions and resumption in economic activity.

In FY23, GDP rose 7% on continued strong growth momentum, propelled by investments and private consumption. The share of investments in GDP was at 33.3% and that of private consumption was at 58.0%.

The National Statistics Office (NSO) in its provisional estimates of Annual Gross Domestic Product (GDP) for FY24, estimated India's real GDP growth to be 8.2% which is higher than its Second Advanced Estimate of 7.6%. Even as the agricultural economy slowed sharply following a weak monsoon, the surge in non-agricultural economy has more than made up for it. The government's investment push, along with easing input cost pressures for industry, has also played a major role in shoring up growth. However, services have been slowing owing to waning pent-up demand (post the pandemic), with the exception of financial, real estate and professional services, which has powered ahead on the back of robust growth in banking and real estate sectors.

Analysis of the FY24 year's growth reveal notable dichotomies. Growth has primarily been fueled by fixed investments, exhibiting a robust 9% expansion, while private consumption growth lagged at 4%, trailing overall GDP growth. On the supply side, the manufacturing sector experienced the most substantial growth at ~9.9%, while agriculture exhibited more modest growth rate of 1.4%. These trends underscore the varied performance across sectors, highlighting the nuanced dynamics shaping India's economic landscape in FY24. Overall, real GDP of India is estimated to have grown at 8.2% in FY24 compared with 7.0% in FY23.

Real GDP growth in India (new series)



RE – revised estimates, PE – Provision estimates, P – projection
Notes: The values are reported by the government under various stages of estimates
Actuals, estimates and projected data of GDP are provided in the bar graph
Source: Ministry of Statistics and Programme Implementation (MoSPI), CRISIL MI&A

India's gross value added continues to record healthy growth

On the supply side, gross value added (GVA) grew 7.2% in fiscal 2024 as per provisional estimates (compared with 6.7% growth in fiscal 2023). In absolute terms, real GVA was Rs 158.74 trillion in fiscal 2023, up from Rs 148.05 trillion in fiscal 2022.

GVA at constant fiscal 2012 prices

Rs trillion	FY22RE	FY23FRE	FY24PE	Share in GVA FY24	Annual growth in FY24
Agriculture, forestry and fishing	21,70,106	22,72,250	23,04,982	15%	1.4%
Mining and quarrying	3,09,276	3,15,256	3,37,623	2%	7.1%
Manufacturing	25,61,033	25,04,663	27,51,680	17%	9.9%
Utility services	3,17,966	3,47,973	3,74,174	2%	7.5%
Construction	11,93,532	13,06,256	1,430,081	9%	9.9%
Trade, hotels, transport, communication and services related to broadcasting	24,80,380	27,77,723	29,55,767	19%	6.4%

Financial, real estate and professional services	31,22,847	34,05,474	36,91,645	23%	8.4%
Public administration, defense and other services	17,21,699	18,75,304	20,21,798	13%	7.8%
GVA at basic prices	1,38,76,840	1,48,04,901	1,58,73,751	100%	7.2%

RE: revised estimate, PE: provisional estimate Source: CRISIL MI&A

India's per capita GDP grows faster than global average

Global GDP per capita clocked 2.0% CAGR between 2012 and 2023, as per World Bank data. Meanwhile, India's corresponding figure registered 5.1% CAGR.

Per capita GDP at current prices

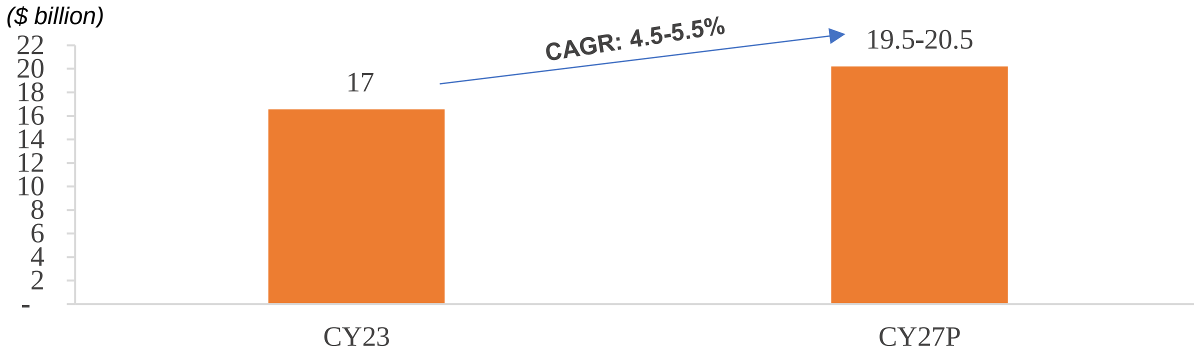
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	CAGR 2012-2023
India per capita GDP at current prices ($)	1,434	1,438	1,560	1,590	1,714	1,958	1,974	2,050	1,916	2,250	2,366	2,485	5.1%
World per capita GDP at current prices ($)	10,587	10,755	10,919	10,178	10,224	10,763	11,315	11,35`8	10,942	12,362	12,730	13,138	2.0%

Source: World Bank, CRISIL MI&A

Assessment of welding consumables industry

Welding consumables are used across industries to manufacture essential products. In the welding process, the selection of appropriate welding consumables, such as electrodes and wire, holds immense significance. These seemingly small components play a vital role in ensuring welds of exceptional quality and durability. They impact the strength, integrity, and appearance of the final weld.

Global welding consumables industry



Note: E: Estimated, P: Projected
Source: International Market Analysis Research and Consulting Group (IMARC) welding consumable market report

Share of global welding consumables market by region

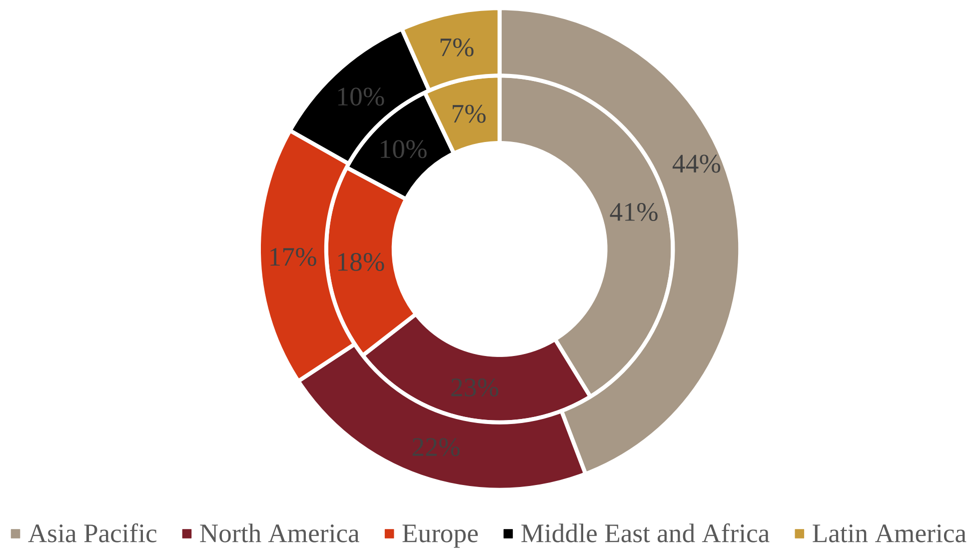
In the welding consumables market, the Asia-Pacific region has the highest share, with around 41% contribution in global welding consumables market. With the availability of cheap manufacturing in Asian countries, such as China and India, many global industrial players make their production facilities in this region, leading to higher demand for welding consumables.

North America has the second biggest market for welding consumables after Asia, due to the presence of large automotive and component manufacturers. Europe's market share in the welding consumable market is about 18% in 2023, with Germany, the UK and France driving market growth. In Germany, the welding consumables market is promoted by the boost in the housing sector.

In the Middle East and Africa region, growth is led by construction in GCC countries, such as the UAE, Qatar, and Saudi Arabia. In this region, key end industries with high consumption of welding consumables are construction and automobile.

Latin American countries, such as Argentina, Mexico, Colombia, Brazil, Venezuela, where oil and gas is a key industry, are creating a demand for welding consumables market. In some of the countries, the rise in the automobile sector due to improving economies is also promoting the market.

Region-wise share in global welding consumables market



Note: Inner circle – CY23; Outer circle – CY27P
UK is included in Europe
Source: International Market Analysis Research and Consulting Group (IMARC) welding consumable market report

Share of global welding consumables market by end use industry

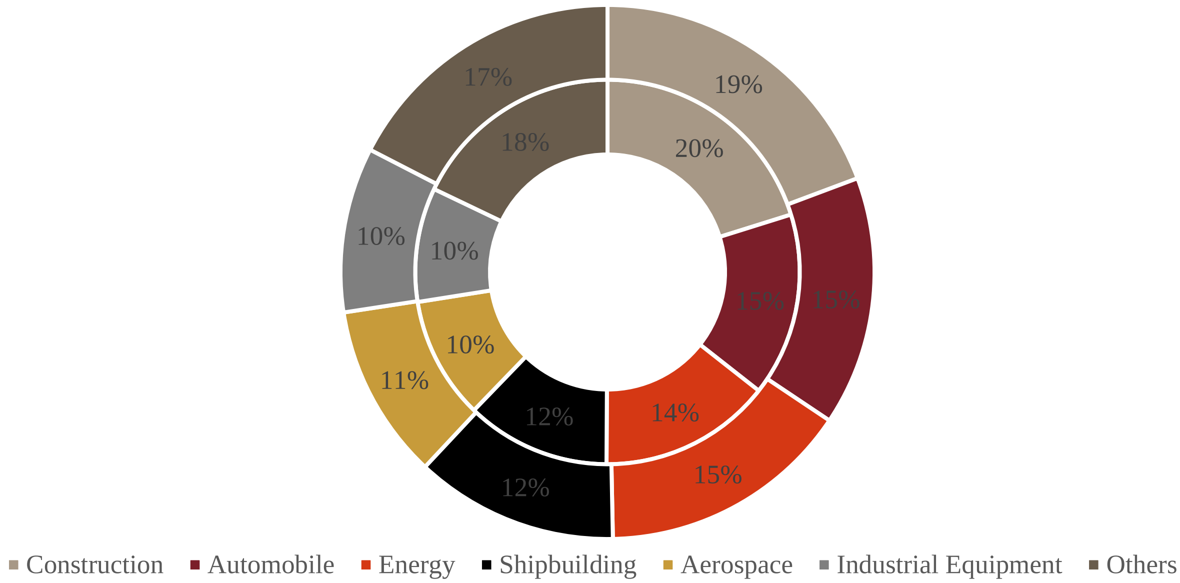
Among the key end use industry for welding consumables market, the construction industry captures a key portion of the market. Growth of construction projects across countries, such as China, India, and the US, in sectors such as housing, education, healthcare, and social infrastructure will facilitate growth in the welding consumables market.

In the automobiles industry, welding consumables play a key role for the manufacturing of vehicle parts with high quality and light weight. New automobile designs and new safety features in the automobile sector would drive growth in the welding consumables market.

In the energy industry, welding increases the strength of the oil and gas pipes. So, a rise in new oil and gas pipelines globally will drive growth in the welding consumables market. Along with the oil and gas industry, welding plays a key role in power generation industry as well. So, as countries such as China and India invest in thermal power industry for power generation, spending in the welding consumable market would likely grow.

In other sectors, such as shipbuilding, aerospace, and industrial equipment, investments in production facilities for new plants and maintenance, along with rising demand for aircraft, ships, and other industrial equipment, would drive growth in the welding consumables market.

Industry-wise share in global welding consumables market



Note: Inner circle – CY23; Outer circle – CY27P
Source: International Market Analysis Research and Consulting Group (IMARC) welding consumable market report

Key drivers and trends in the global welding industry

- With rising urbanization and disposable income in the developing countries, a lot of investment is expected in the infrastructure sector. Not only in construction sector, industrial sector in developing countries is also emerging and growing at a healthy rate. As welding is a key component of construction and industrial sector, growth in these industries is expected to boost the consumption and, in turn, growth of welding consumables market
- As demand for energy increases globally, there would be a rise in oil and natural gas pipeline infrastructure. Welding plays a key role in oil and natural gas pipeline infrastructure, as transportation of these fuels requires joining of many pipes though welding. So, with the rising demand for energy due to increasing population, industrialization and mobility, investments in the oil and gas industry would support growth in the welding consumables market.
- The automotive sector is witnessing strong growth in both developed and developing countries, driven by economic growth, rising population and investment in infrastructure across these countries. Also, the automotive sector is witnessing a rise in the use of welding techniques, due to the growing demand for customized products. So, demand in the automobile sector will promote growth of the welding consumables market.

Welding consumables market in India

Manufactures in India heavily rely on welding consumables as a primary technique for joining metals, as no other method offers such wide-ranging benefits. Welding consumables, which are materials that facilitate the joining of two metal or alloys, are critical components of welding operations, as the quality and strength of the joint in welding is dependent on them. As different welding consumables have different properties and characteristics, selection of consumables vary according to the type of metals that are being welded, the process used in welding, and the application of the final products.

An overview of the key sub sectors in the welding consumables market

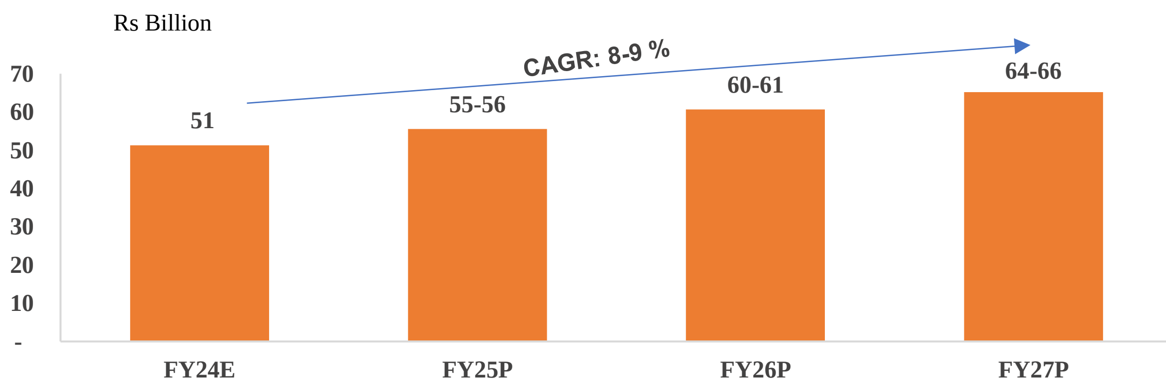
Sub-sector	Sector overview
Filler wires	• Filler wires are used to secure strong joints between two metals, as these wires melt and flow in the middle of the two metals and form a joint • Solid wire, flux-cored wire and metal cored wire are some of the common types of filler wires
Welding electrodes	• In the welding circuit, welding electrodes serve the purpose of conducting electrical current to the workpiece • Electrodes sometimes also act as filler metal, such as in manual arc welding and gas metal arc welding in the form of consumable electrodes. • There are three key types of electrodes-bar electrodes, light-coated electrodes, and shielded arc electrodes
Flux	• It is used to prevent contamination by oxygen and other contaminants of molten weld metal Apart from preventing oxidation of the molten weld metal, it is also used to provide additional heat during welding operation and improve the quality of high strength welds

Welding consumables are used extensively in the infrastructure sector in construction of roads, bridges, ports and airports. Also, welding consumables form a key component for constructing and maintaining plants across industries, such as power, cement, railways and automotive.

Market size of the welding consumables industry in India

Welding consumables market in India is estimated at around Rs 51 billion in fiscal 2024, with fiscal 2027 projections around Rs 64-66 billion. Due to the rise in demand for improved infrastructure, a lot of investment is happening in infrastructure development, such as construction of roads, bridges, ports and airports. This investment in infrastructure is one of the key growth drivers for the welding consumables sector, because welding is indispensable in the construction industry, as it provides strong and reliable joining solutions for structural components.

Trend in welding consumables market in India



Note: E — estimated, P — projected*Source: CRISIL MI&A*

Also, expansion of industries such as heavy engineering, energy, oil & gas, shipbuilding, railways, power, transportation, and automotive, promotes growth of the welding consumables sector due to construction and maintenance of plants in these industries. As India aims to become a global manufacturing hub, growth in the manufacturing sector will lead to a rise in the welding consumables sector. Government initiatives such as National Infrastructure Pipeline, in which about Rs 111 lakh crore is to be invested in infrastructure during fiscals 2020 to 2025 in sectors such as heavy engineering, roads, urban infra, and railways, along with industrial reforms, such as 'Make in India' and 'Atmanirbhar Bharat', will support growth in the welding consumables sector.

Key product segments in the Indian welding consumables industry

1. Filler wire

These wires/metals are used to secure a strong bond between the two metal joints during the welding process. When heated, these metals melt to flow into the space between the two close fittings, forming a joint. Filler wires contribute to the reinforcement and durability of weld joints, minimizing the risk of cracking when the metal joint is subjected to stress or strain. Filler wires are available in various configurations, based on need of MIG, TIG and SAW welding procedures.

Common types of filler wires are **solid wires, flux-cored wires and metal-cored wires**. A solid wire, which is typically a continuous solid wire, is often coated with copper to prevent oxidation, enhance electrical conductivity, and extend the lifespan of the welding contact tip. Flux-cored wires use electric arc fuse for joining two pieces of metal together. These wires protect the welds from contamination and oxidation. A metal-cored wire consists of a tubular wire that is filled with metallic powder, alloys, and arc stabilizers. Its utilization provides advantages, such as increased duty cycles, faster travel speeds, reduced fume emissions, and enhanced cost-effectiveness.

There are many types of filler wire metal, with each metal serving a purpose and use. Mild steel, widely employed in welding, finds extensive applications for joining various base materials, including carbon steel and low-alloy steel. Stainless steel demands a more robust alloy with increased tensile strength compared with mild steel. Tungsten inert gas (TIG) and plasma arc welding employ a distinct type of filler metal, distinct from other welding processes.

Filler metals are frequently utilized to achieve a more seamless weld deposit and mitigate porosity problems. One approach is to select a filler metal with a chemical composition matching that of the base material, ensuring similarity in characteristics between the weld pool, weld deposit, and base material, thereby minimizing post welding concerns, such as cracking and distortion in the final product arising from disparities in properties.

2. Welding electrodes

A welding electrode is a metallic rod that contains two distinct metals, wires, or filler materials. When connected from a welding machine to the base metal, it undergoes melting due to the intense electrical heat, facilitating the joining of two separate metal parts with a strong and seamless result.

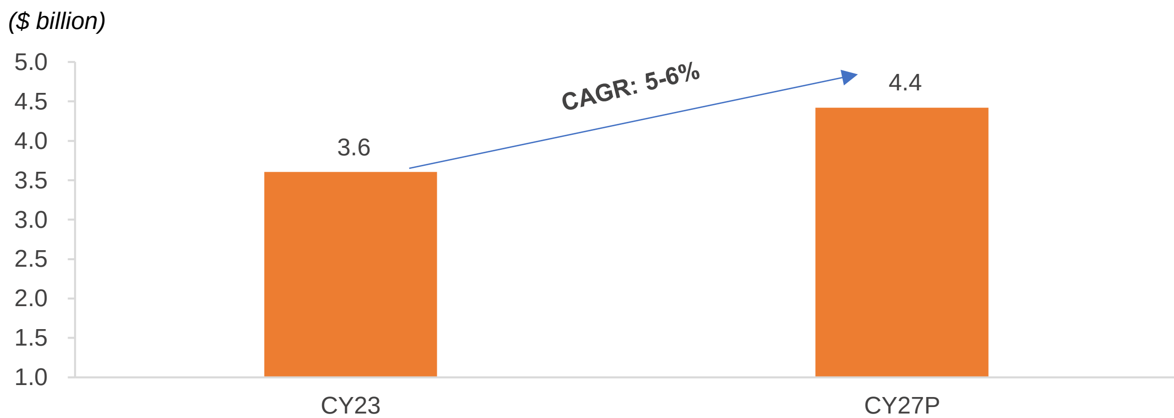
Types of welding electrodes include bar electrodes, light coated electrodes, and shielded arc electrodes. Bare electrodes, which lack any form of coating, are primarily utilized in applications, where a coated electrode is unnecessary. Lightly coated electrodes are an enhanced variant of bare electrodes, featuring a thin layer of coating that measures a few tenths of a millimeter in thickness. Shielded arc electrodes have a layer of heavy coating. These electrodes are utilized to achieve high-quality welding metal by preventing the formation of oxides and nitrides through a substantial coating layer.

The utilization of these electrodes enhances the melting speed, thereby expediting the welding process. Coating of electrodes provides insulation, allowing their usage at high currents. These electrodes enable an effortless execution of overhead and vertical welding tasks. Also, the electrodes are protected from contamination due to coating.

An assessment of the wear plates industry

Global wear plates market

Globally, wear plates play an essential role in plants across industries in protecting key equipment, increasing efficiency by reducing the frequency of part replacements and providing cost-saving benefits. The global wear plates market is estimated to be around $3.6 billion for calendar 2023, with calendar 2027 projections around $4.4 billion at ~5-6% CAGR. The demand for construction equipment and the need to protect key mining equipment is driving growth in the wear plates sector globally. Also, growing application of wear plates in the mining industry to prevent abrasion and increasing lifespan of mining equipment is driving growth in the market.



Note: E — estimated, P — projected

Source: International Market Analysis Research and Consulting Group (IMARC) wear plates market report

Share of global wear plates market by region

Asia contributes the highest in the consumption of wear plates market globally, as it is the largest coal mining region in the world. To protect key mining equipment, wear plates are used and are in demand in the region.

In Europe, several infrastructure projects, especially in the transportation sector, are creating demand for wear plates in the region. Additionally, in this region, a lot of mining activity for minerals, such as iron ore, zinc and gold, also create demand for wear plates in the region.

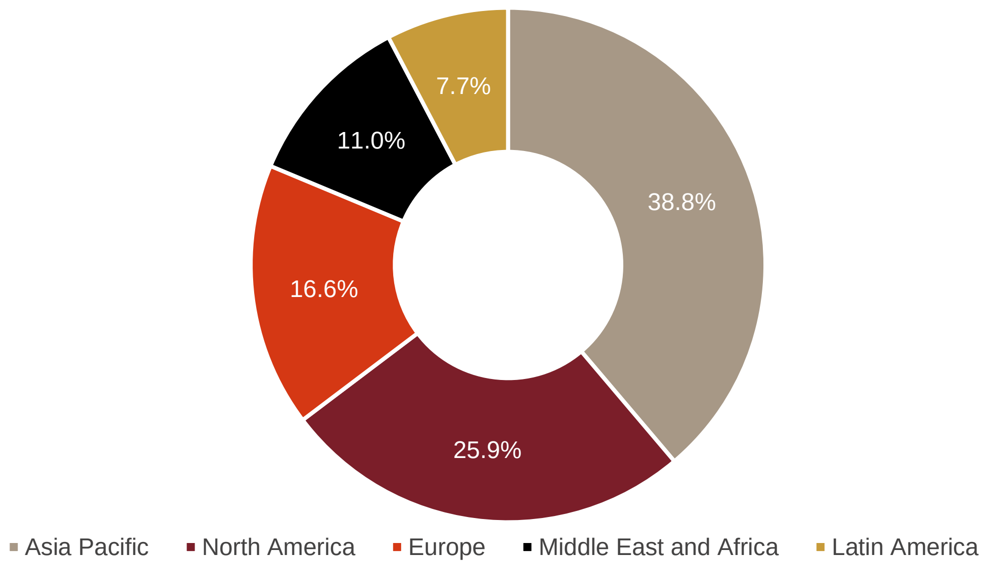
In North America, there is a surge in mining activities in countries, such as Canada, for copper, nickel and cobalt.

These mining activities, along with infrastructure development in the region, are fueling the demand for wear plates.

In Latin America, increasing urbanization and population are promoting the demand for commercial as well as residential construction in the region. The rise in such construction programs will create demand for the wear plates sector.

In the Middle East, exploration, and extraction of key minerals, such as oil, natural gas and gold, are the key components of their economy with substantial investments. These activities would require wear plates to protect key components, thus promoting the wear plate market. Also, a lot of infrastructure investment is happening in the Middle East region - such as the Neom project - to boost the economy, thus also enabling growth in the wear plates sector.

Region wise share in global wear plates market-CY23



Note- UK is included in Europe

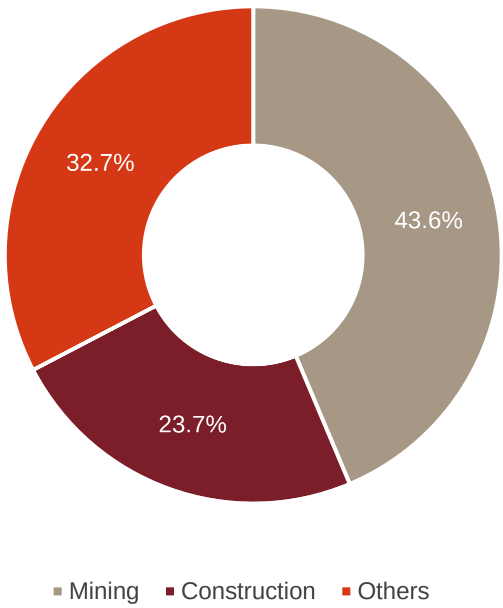
Source: International Market Analysis Research and Consulting Group (IMARC) wear plates market report

Share of global wear plates market, by end-use industry

Mining and construction industry are the key contributors to the consumption of the wear plates globally. During mining, while transporting ore material, loading and unloading leads to abrasion in wear plates. This way wear plates form a key part of the mining industry and investments in the mining sector globally will push consumption of wear plates. Also new technological developments in wear plates used in mining operations also create demand for these plates.

Globally, the construction sector attracts investments due to rising urbanization, population and growing industrialization. These investments in the construction sector led to demand for construction equipment and machinery. These machineries require wear plates to prevent abrasion and for a longer life span. Thus, the rise in the construction sector is one the key factor driving growth in the wear plates industry

Industry-wise share in the global wear plates market, CY23



Source: International Market Analysis Research and Consulting Group (IMARC) wear plates market report

Key drivers and trends in the global wear plates industry

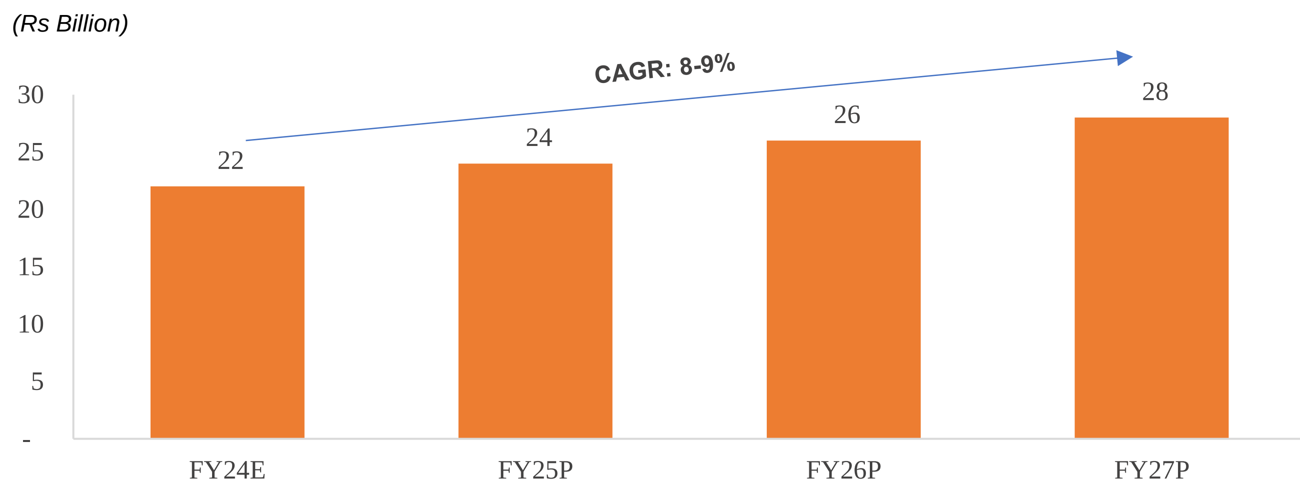
- As the mineral resources play a key role in the world economy, the mining sector globally is expected to witness high investments in the sector. With these investments in the mining sector, a portion would be in upgrading and maintaining the mining equipment. As wear plates protect mining equipment against abrasion, these plates would play a key role in the mining industry and thus would attract high consumption in this sector
- As the global economy grows, various economies in the world would invest heavily on infrastructure development, due to rising urbanization and increasing industrialisation. With the investment in the construction industry, protecting construction machinery and equipment against abrasion would be vital. Since wear plates play a key role in extending the life of construction machinery and equipment, these plates would see a constant demand from the construction sector.
- In the wear plates market, key innovations, such as laser cladding, plasma transferred arc and advance casting methods, are promoting wear plates with increased durability. Similarly, other advancements in technology in the wear plates sector, would attract new customers in these sectors looking for high-performance wear plates with customised options. Similarly, adopting new composite materials, such as wear-resistant composite materials over traditional wear plates would offer new opportunities for this market, as these composite materials offer advantages, such as being lightweight, increased customizability and lower maintenance requirement.

Indian wear plates market

Wear plates serve as a safeguard to vulnerable surfaces from harsh abrasion or impact, when encountering other surfaces. Key application of wear plates is where friction between two components or material leads to deterioration. As these plates are replaceable components, they protect value equipment against excessive wear and potential damage. Wear plates are used in a variety of industries, such as construction, mining, energy and power, railways, and quarries, as these plates reduce downtime from damaged equipment, cost of part replacements and maintenance for the uninterrupted use of equipment and machines. Key players operating in the wear plates market in India are Jindal Steel, AM/NS and Diffusion Engineers.

Market size of wear plates market in India

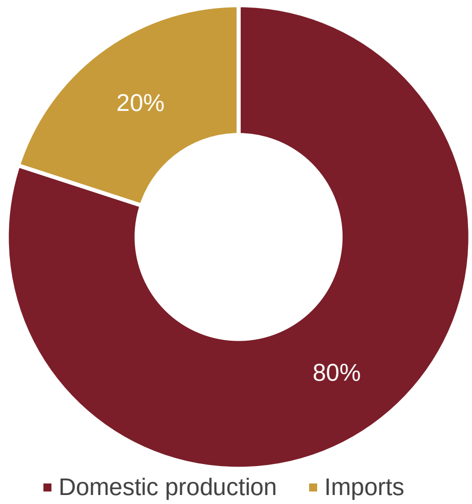
The wear plates market in India is estimated at around Rs 22 billion in fiscal 2024 and is expected to grow at a CAGR of 8-9% to ~Rs 28 billion in fiscal 2027. Wear plates are an essential part of various industries, such as power plants, steel mills, quarrying and cement, as these plates protect key components of these industry. As India continues to undergo rapid industrialisation, each of these industries would grow and require wear plates to protect their equipment and machinery. Additionally, as investments in the Indian infrastructure market will grow, the construction industry will promote the consumption of wear plates for long and durable equipment and machines. Also, increased focus by the mining industry to improve the lifespan of mining equipment will also lead to a stronger the wear plates sector.



Note: E — estimated, P — projected
Source: CRISIL MI&A

Other key industries where wear plates are used, such as cement and power, saw a rise in investments in fiscal 2023. Investments in these sectors, due to a rise in infrastructure and demand for power, created a lot a demand for the wear plates sector. Machinery in powerplants and cement industries use wear plates in maintenance as well in in setting up of new plants to promote a longer lifespan of the plant equipment.

Wear plates market in India split by domestic production and imports, FY24E



Source: CRISIL MI&A

Indian domestic consumption of wear plates in fiscal 2024 was met by 80% domestic production and 20% by imports. A few years ago, the contribution of imports in the market was higher, but with the rise in the number of Indian manufacturers of wear plates, the sector's imports declined. CRISIL expects a further rise in domestic production, with even lesser share of imports in the sector.

Recent trends in wear plates market

Utilization of wear plates extends the operational lifespan of business materials, leading to a substantial increase in business profitability. Following are the key emerging trends in the wear plates sector:

1. Laser shock processing

This is one of the key technological trends in the wear plate sector. This technique involves generating and manipulating shockwaves in metallic materials, thereby improving surface properties to combat crack growth, wear, and stress corrosion cracking. By employing computational **models**, this method optimises the entire design and production processes, ultimately producing industrial wear plates with exceptional resistance.

2. Use of wear resistant coatings

Though majority of wear plate manufacturers use cold spray process, achieving the desired volume ratio of hard materials within the wear-resistant coating materials poses a challenge. Developments in coating powders and high particle velocities enabled increased incorporation of hard materials, resulting in coatings with higher hardness and improved wear performance.

3. Rising demand from OEMs

Original equipment manufacturers (OEMs) are increasingly favoring wear plates over traditional alternatives. The shift is driven by the superior performance and enhanced durability of wear plates, which lead to improved equipment lifespan and reduced maintenance expenses. This growing preference highlights the significant advantages wear plates offer in various industries and applications.

Assessment of heavy engineering capital goods industry

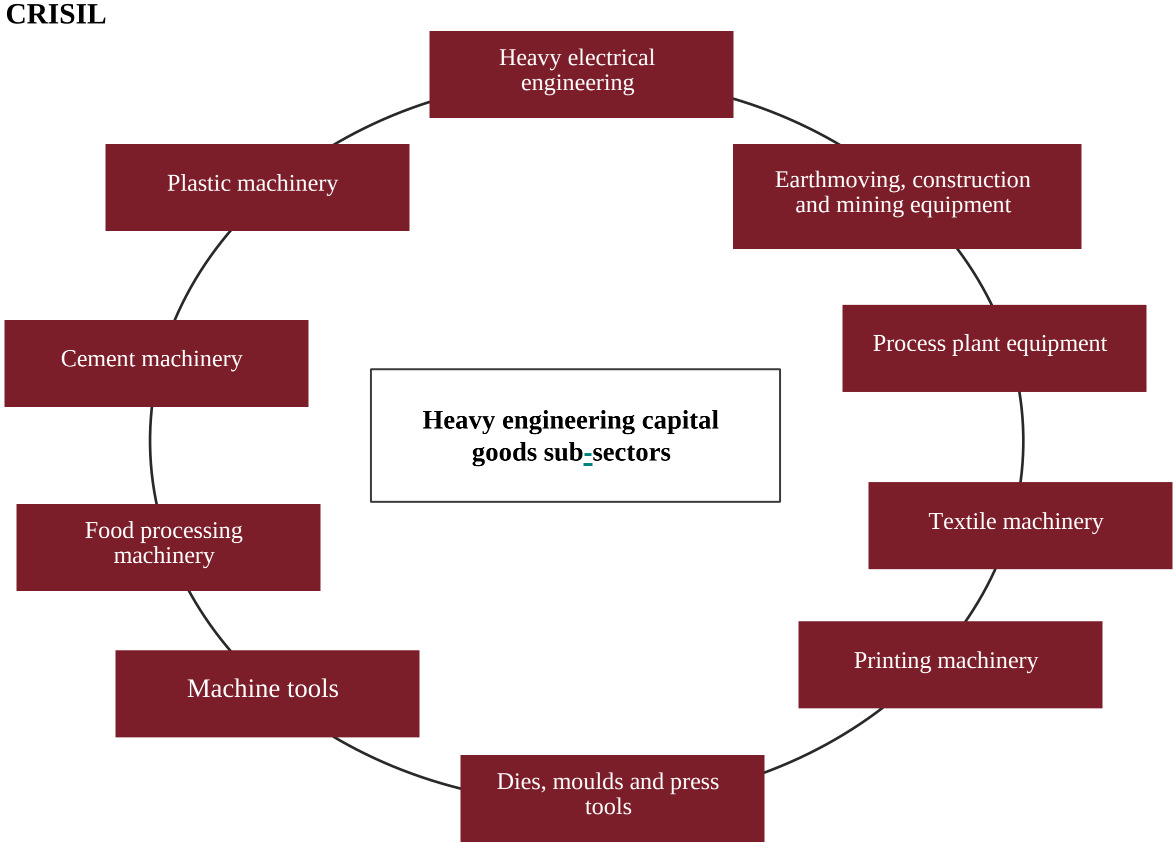
Domestic heavy engineering capital goods industry estimated at Rs 3,100-3,200 billion as of fiscal 2024

India's engineering sector is divided into two segments: heavy and light engineering. This classification is based on the nature of the product and the technology used for processing. Heavy engineering includes manufacturing and assembly of industrial machinery and plant equipment for various end-use sectors.

Equipments are designed and manufactured to suit end-use applications for industries such as fertilizer, textile, chemical, refinery, petrochemical, and oil and gas, as well as for the thermal and nuclear power sector.

On the other hand, light engineering includes sub-sectors, manufacturing everything from basic to sophisticated equipment. Light engineering products (components, parts, and small equipment) find application in automobiles, industrial machinery, power, oil and gas, fertilizers, steel, refineries, petrochemicals, cement, and railways sectors; and serve as inputs for the heavy engineering capital goods sectors.

Heavy engineering capital goods industry in India includes the following sub-sectors, as per CRISIL



Overview of key sub-sectors

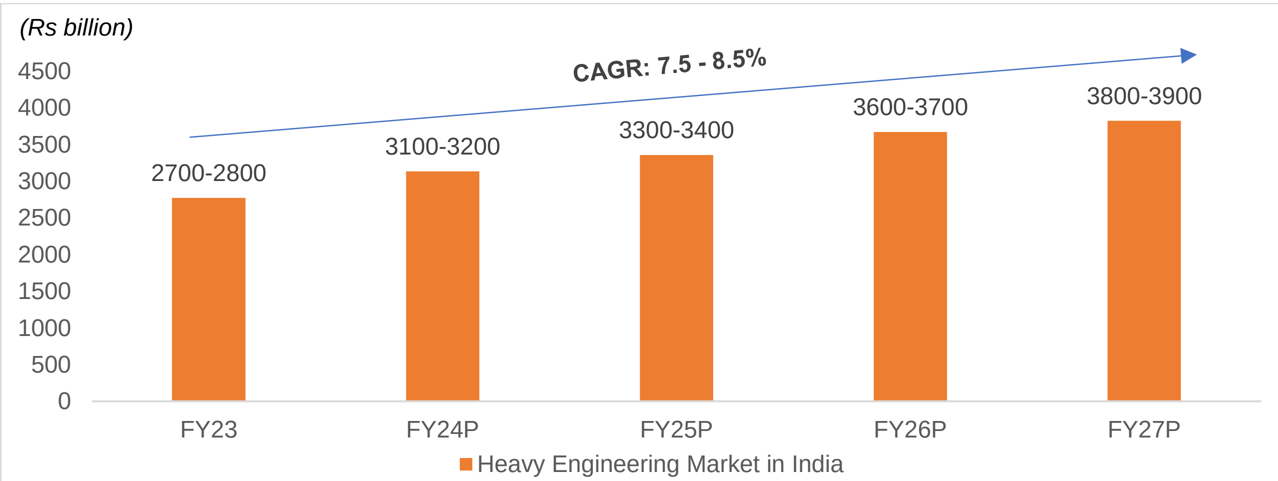
Sub-sector	Overview
Heavy electrical engineering	• A key manufacturing sector, catering to the needs of the energy, power and other industrial sectors • Major equipment, like boilers, generators, turbines, transformers, and switch gears and related accessories, are manufactured in this sector • The performance of this sector is closely linked to the country's power capacity addition programme
Earthmoving, construction and mining equipment	• Manufactures backhoe loaders, compactors, mobile cranes, pavers, batching plants, crawler crane, transit mixer, concrete pump, tower cranes, hydraulic excavators, dumpers, mining shovel, walking draglines, dozers, wheel loaders, graders, drilling equipment, tunnelling machine, etc
Process plant equipment	• Caters to industries such as oil and gas, chemical, pharmaceuticals, fertilizers, etc
Textile machinery	• Majority of textile machinery manufacturers in the country are small and medium enterprises (SMEs) • Key textile machines: weaving, spinning, winding, processing and synthetic fiber machines • High-end technology machines other than in the spinning segment are mostly imported
Printing machinery	• Majority of printing machinery manufacturers are SMEs • Key printing machines: web offset printing, UV coating curing, flexographic printing, screen printing, wire stitching and lamination machines
Dies, moulds, and press tools	• Consists of commercial tool makers engaged in design, development, and manufacturing of tooling in the country. Along with commercial tool makers, several government tool rooms-cum-training centres are also operational • Key tool room locations: Mumbai, Bengaluru, Chennai, Pune, Hyderabad, and Delhi NCR
Machine tools	• Supplies machinery to the entire manufacturing sector. It is dominated by SMEs with an annual turnover ranging Rs 3-5 billion • Machine tools currently manufactured are general/special purpose machines, standard computer numerical control (CNC) machines, gear cutting, grinding, medium size machines, electrical discharge machining (EDM), presses, press brakes, pipe bending, rolling, and bending machines
Food processing machinery	• Dominated by SMEs • Key machines: peelers, sorters, graders, pulpers, grinders, mixers, cookers, fryers, dryers, pulverisers, soymilk machines, food grain and coffee millers, ovens, forming-filling- sealing machine, milking and dairy machines, and juicers
Cement machinery	• India is the world's second-largest cement producer after China, with ~8% share in global cement production and cement capacity of ~569 million tonne as of fiscal 2022 • Cement manufacturing machines include raw mill, cement crusher, cement mill, cement kiln, cement cooler, cement dryer, cement silo, and cement packer

Plastic machinery	• Key machines: injection moulding, blow moulding and extrusion moulding machines

Source: Ministry of Heavy Industries, CRISIL MI&A

Domestic Heavy engineering capital goods industry projected to grow 7.5-8.5% over fiscals 2023-27

Market size of Heavy engineering capital goods Industry in India, FY23 to FY27



E: Estimated; P: Projected

Source: Ministry of Heavy Industries, IEEMA, CRISIL MI&A

India's heavy engineering capital goods industry is estimated to be Rs 3,100-3,200 billion as of fiscal 2024, and is projected to clock a CAGR of 7.5-8.5% over fiscals 2023-27 to reach Rs 3,800-3,900 billion. Heavy electrical engineering, earthmoving, construction and mining machinery, and process plant equipment are the largest segments. The industry is expected to continue to expand on the back of rising manufacturing and construction activities.

Technological advancements, foreign direct investment (FDI), and strong government initiatives are the key growth drivers of the manufacturing sector, which will propel the heavy engineering capital goods industry as well. We expect demand for heavy engineering components to get a boost from end-use sector growth on account of improvement in the ease of doing business, the Production Linked Incentive (PLI) scheme, as well as investments in infrastructure and supportive government policies. Rising demand from key end-use sectors and material capacity addition in the cement sector will further support growth.

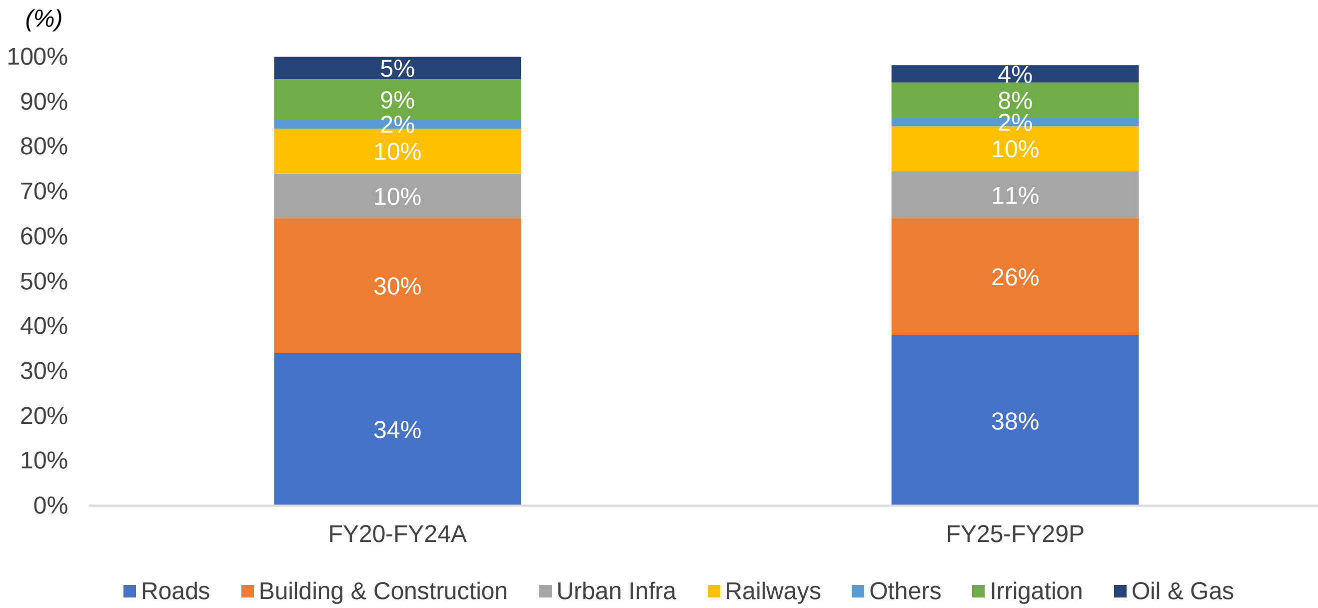
Greenfield and brownfield capacity expansion to drive demand in the medium term

The heavy engineering capital goods sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to gauge the health of the economy. Growth in the manufacturing sector is tied to sectors such as infrastructure, power, steel, automotive, oil and gas, consumer durables, etc. Demand for heavy engineering plant and equipment components comes from capacity additions in textile, consumer product manufacturing, power, mining, oil and gas, refinery, steel, and automotive and other industrial segments.

Growth in construction spend will be propelled by the infrastructure segment over the medium to long term, as the building construction and industrial sector records sedate growth rate.

For the industrial sector, spending will be driven by the PLI scheme, a time-bound scheme by the Government of India that rewards companies in the range of 5-15% of their annual revenue based on the companies meeting pre decided targets for incremental production and/or exports and capex over a base year. The same will translate into increased demand for heavy engineering capital goods.

Construction spends – fiscal 2020 to 2029



Note: A: Actual; P: Projected
Source: CRISIL MI&A

Capacity additions in the conventional power generation segment expected to increase to 44-45 GW (excluding renewables) over fiscals 2025-29

Capacity additions in the conventional power generation segment are expected to increase to 44-45 GW (excluding renewables) over fiscals 2025-29, driven by higher-than-decade average power demand. Fresh project announcements are limited as players are opting for the inorganic route for expansion given the availability of assets at reasonable valuations, with 4.8 GW of stressed power assets awaiting debt resolution.

Consequently, CRISIL MI&A expects 50-52% of the 44-45 GW conventional capacity additions over fiscals 2025 to 2029 to be coal-based, led by a large number of planned projects and the fact that coal remains the most widely available among the conventional sources of power. Nuclear power capacity additions of 4.5-5.5 GW are expected to come up during the period as ongoing projects at Kalpakkam, and Rajasthan are nearing completion. Also, hydropower and Pumped Storage Projects (PSP) capacity additions are expected to be between 7.5-8.5 GW and 8.5-9.5 GW between fiscal 2025-2029 respectively with clean energy status expected to enhance government push for clearances and construction cycles.

The contribution of the private sector, being riddled with debt from past capacity additions, is likely to remain low over the next five years, largely limited to potential acquisition of stalled under-construction coal projects in the absence of new project announcements. Central and state sectors are expected to drive capacity additions, accounting for majority of the conventional capacity additions.

India's Installed generation capacity across fuels which stood at 416 GW last fiscal is expected to reach ~480 GW in fiscal 2025, on the back of healthy renewable capacity additions. It is expected to reach 700-710 GW by fiscal 2029, as renewable capacity is expected to be ~340 GW. Growing need for energy storage systems is expected to drive the capacity additions of PSP and BESS over the next 5 years. PSP, which has an installed capacity of 3.4 GW as of fiscal 2024, is expected to grow at a CAGR of 29% between fiscal 2024-29 to reach 12-13 GW by fiscal 2029, whereas BESS, which would start commissioning only by fiscal 2025, is likely to see strong growth to reach 23-24 GW capacity by fiscal 2029, taking storage capacity to a cumulative 35-36 GW.

Positive policy and robust FDI support India's engineering and manufacturing industries

The domestic engineering and manufacturing industries have attracted the interest of foreign players, as these enjoy advantages in terms of production cost, technology and innovation, as well as consumer demand. FDI in India has risen over the past five years. FDI, which brings in long-term capital for capex and supports revenue growth, increased 2.2 times over fiscal 2018-23 compared with fiscal 2013-17.

The government has encouraged foreign investments by permitting 100% FDI under the automatic route for the heavy engineering industry (expect for countries with land borders with India). FDI in manufacturing segments will strengthen demand for heavy engineering capital goods. Further, the sector does not require an industrial license. Quantum of payment for technology transfer, design and drawing, royalty, etc. to the foreign collaborator is not restricted. There are no restrictions on imports-exports as well.

FDI inflows (Rs billion) – fiscal 2013 to 2024

Sector	FY13-17	FY18-24	Increase in FDI inflows (times)
Construction (infrastructure) activities	81	1,792	22.1
Electrical equipment	232	452	2.0
Power	269	489	1.8
Food processing	386	371	1.0
Industrial machinery	160	180	1.1
Textiles	86	145	1.7
Mining	83	91	1.1
Cement and gypsum products	173	65	0.4
Machine tools	21	27	1.3
Earthmoving machinery	14	15	1.0
Sugar	10	3	0.3
Total FDI inflows[1]	10,125	25,600	2.5

1: Total FDI inflows across all industries

Source: DPIIT, CRISIL MI&A

Supportive government schemes and policy intervention to boost heavy engineering sector

Overview of Production Linked Incentive (PLI) Scheme

Launched in March 2020, the PLI scheme focuses on 14 sectors with an incentive outlay of Rs 1.97 trillion (~$ 26 billion) to strengthen the production capabilities of the economy. These sectors include auto components, automobile, aviation, chemicals, electronic systems, medical devices, metal and mining, pharmaceuticals, renewable energy, specialty steel, telecom, textiles and apparel, food processing, and white goods.
As many as 176 MSMEs – in sectors such as bulk drugs, medical devices, pharmaceuticals, telecom, white goods, food processing, textiles, and drones – have benefited from the PLI scheme.

Sectors that are covered by the PLI scheme and have seen an increase in FDI inflows over fiscals 2022-23 are drugs and pharmaceuticals (+46%), food processing (+26%), and medical devices (+91%). As of July 2024, 755 applications have been approved in 14 sectors. As per the economic survey 2023-24, investments worth of over Rs. 1.28 trillion were realized till May 2024, which has led to production/sales of ₹10.8 Lakh Crore and employment generation (direct & indirect) of over 8.5 Lakh. Survey states that the exports were boosted by Rs. 4 trillion, with significant contributions from sectors such as large-scale electronics manufacturing, pharmaceuticals, food processing, and telecom & networking products.

Overview of key schemes for the heavy engineering capital goods industry

Scheme	Overview
Scheme for Enhancement of Competitiveness in the Indian Capital Goods Sector - Phase I	• Launched in November 2014, the objective of the scheme was to address various constraints faced by the sector • Advanced Centres of Excellence were set up at IITs, IISc and CMTI in partnership with the industry to develop strategic technology and machinery • 4 Industry 4.0 Centres are imparting awareness and support to MSMEs for smart manufacturing capabilities, 15 common engineering facilities centres have been created for high tech-skilling and a 530-acre specialized Machine Tool Industrial Park has been established • Under this scheme, 33 projects with budgetary support of Rs 5.83 billion and a total outlay of Rs 9.96 billion were sanctioned. These aimed at addressing technology gaps, infrastructural requirements, and developmental needs of the sector
Scheme for Enhancement of Competitiveness in the Indian Capital Goods Sector - Phase II	• The phase II was launched for aiding Common Technology Development and Services Infrastructure. The scheme has a financial outlay of Rs 12.07 billion with budgetary support of Rs 9.75 billion, and industry contribution of Rs 2.32 billion • The scheme is an extension of phase I. A total of 27 projects with project cost of Rs 9.1 billion have been approved so far under the Phase-II • This phase has the following six components: – Identification of technologies through technology innovation portals (TIPs) – Setting up of new advanced CoEs and augmentation of the existing centres – Promotion of skilling in the capital goods sector – creation of skilling packages – Setting up of common CEFCs and expansion of the existing centres – Expansion of the existing testing and certification centres – Setting up of industry accelerators for technology development

Source: Ministry of Heavy Industries, CRISIL MI&A

Some key growth drivers supporting the heavy engineering capital goods, welding consumables and wear plates industries in India

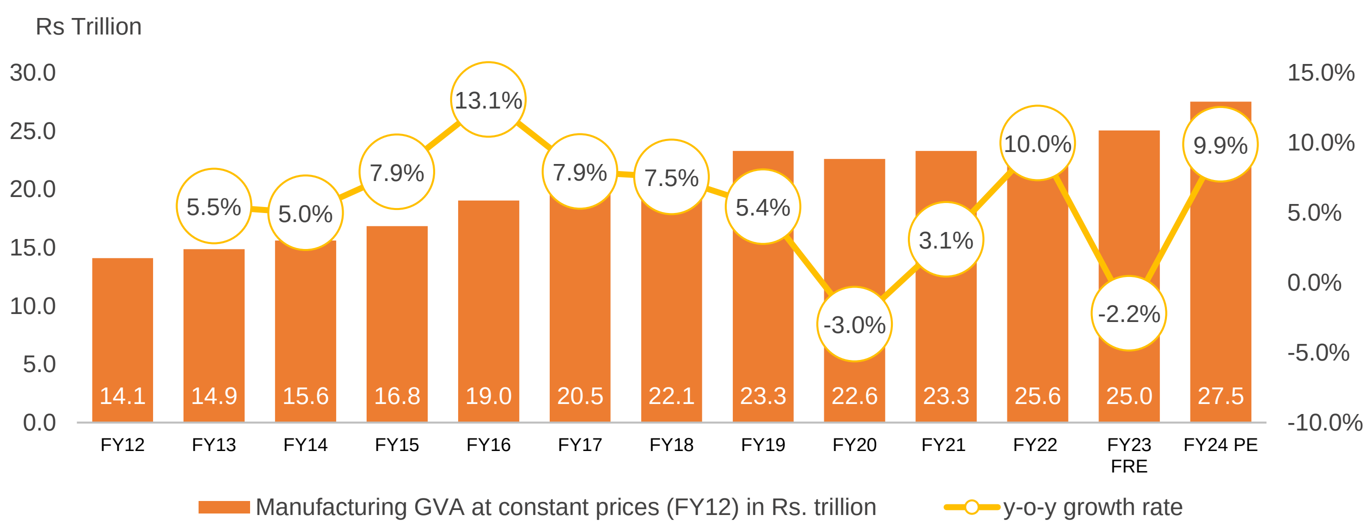
Stable contribution of manufacturing sector in overall GVA to support growth of heavy engineering capital goods, welding consumables and wear plates industries in India

Contribution from the manufacturing sector in total GVA at basic prices decreased slightly from 17.4% in fiscal 2012 to 17.3% in fiscal 2024, logging a CAGR of 5.7% from fiscal 2012 to fiscal 2024. Domestic demand remains the primary driver of the growth in manufacturing, supported by capex push and easing inflationary pressures on consumers.

Manufacturing	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23FRE	FY24PE
Manufacturing contribution (% of GVA)	17.4%	17.4%	17.2%	17.3%	18.1%	18.1%	18.4%	18.3%	17.1%	**18.4%**	**18.5%**	**16.9%**	**17.3%**

FRE: First revised estimate, PE: provisional estimateSource: MOSPI, CRISIL MI&A

Manufacturing GVA at constant prices (FY12 base year)



Source: MOSPI, CRISIL MI&A

Rising demand from key end-use industries to support demand for heavy engineering capital goods, welding consumables and wear plates

Sector	Key trends
Steel	• In fiscal 2024, steel sector experienced strong demand from allied sectors and from the support of the government's capital spending drive. Steel demand was being driven by the infrastructure boom in roads and railways. As FY24 was a pre-election year, the government's capital expenditure surge in infrastructure initiatives drove the on-year growth of 14%. • Steel demand in fiscal 2025 is expected to increase by 7-8% on year due to the demand growth moderation in the first half, followed by an uptick in the later half.
Power	• In fiscal 2024, power demand surged by 7.4% despite a high base of 9.6% recorded in fiscal 2023.The growth was driven by El-Nino led warmer temperatures along with a 7.6% growth in GDP. • Power demand is projected to clock a CAGR of 5-7% between fiscal 2024-2029, supported by economic growth recovery and improved reach and quality of power supply
Cement	• the infrastructure segment which had been the major demand driver, led by central government's higher spending on key infra sectors ahead of elections. • From fiscal 2025-2029, CRISIL MI&A estimates the cement demand to log a CAGR of 6.5-7.5%, moderately higher than ~6% CAGR in the previous five years (fiscals 2020 to 2024), driven by a raft of infrastructure investments and healthy support from housing demand.
Auto components	• The auto components industry saw a 9% growth in fiscal 2024, buoyant demand from OEM segment. • In fiscal 2025, the industry revenue is poised for 8-10% growth, led by Two-wheelers, Passenger vehicles and tractor segment.
Construction equipment	• In fiscal 2024, the construction equipment industry showed a whopping 25% rise driven by a 24% growth in volume. The volume sold hit an all time high with rising infra and mining activity in the backdrop coupled with newer machinery complying to the BS-IV norms introduced in the market. • For fiscal 2025, volume growth projected is 8-10% owing to volume growth normalization but the industry is expected to maintain high levels of 100K+ in volume sales with growing end user industry segments like roads, railways and urban infrastructure.

Sugar	• Industrial consumption that accounted for ~65% of total domestic sugar consumption in sugar season 2023 (October-September) is expected to rise a steady 3% each in 2024 and by 2% in 2025 seasons, led by a pick-up in demand from segments such as hotels, restaurants and cafes (HORECA), non-alcoholic beverages, and chocolates and confectionery • Household consumption that accounted for ~35% of the total domestic consumption in the sugar season 2023 is expected to rise ~1.5% in 2024 and 2025 seasons owing to increasing population and because sugar is already a highly penetrated product.

Source: CRISIL MI&A

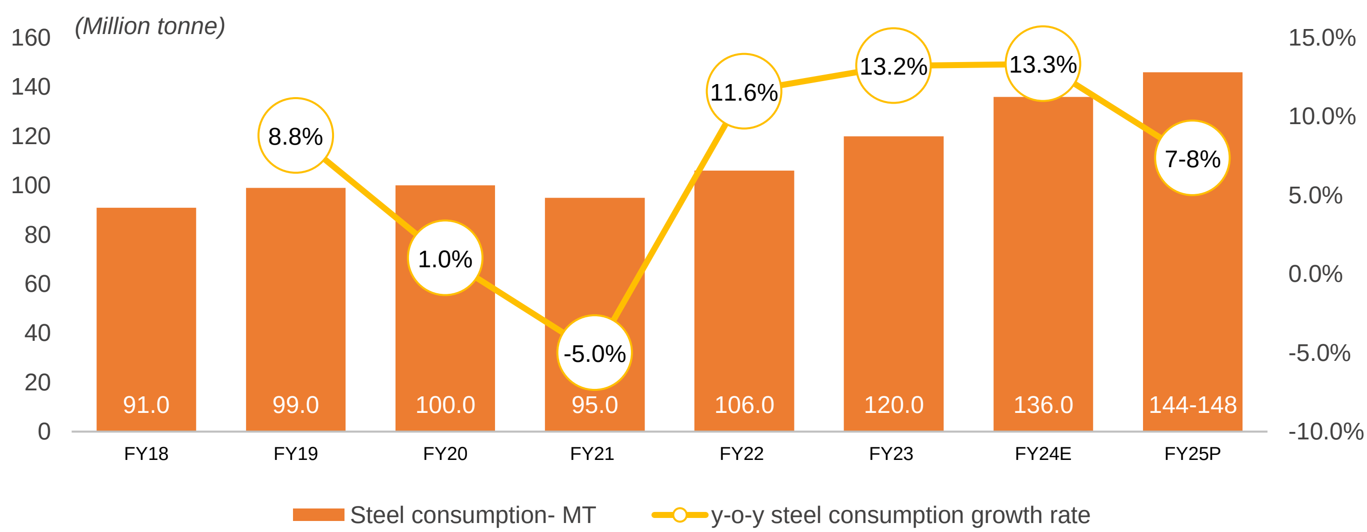
Overview of key end-use industries

Steel Industry in India

In fiscal 2024, steel sector experienced strong demand from allied sectors and from the support of the government's capital spending drive. Steel demand was driven by the infrastructure boom in roads and railways. As fiscal 2024 was a pre-election year, the government's capital expenditure surge in infrastructure initiatives drove the double-digit growth in demand of 13.3%.

Steel demand in fiscal 2025 is expected to increase by 7-8% on year due to the demand growth moderation in the first half, followed by an uptick in the later half. Labour shortages and monsoons are expected to slowdown the pace of infra and construction activities in first half. Auto segment, primarily the steel intensive Medium and Heavy Commercial Vehicles (MHCV) is expected to witness slowdown in its sales which is going to be affected on account of the high tonnage sold over the preceding years.

Steel consumption in India



Note: E — estimated, P — projected
Source: CRISIL MI&A

The key end-use segments of the steel industry are building and constructions, infrastructure and automotive. The building and construction industry accounts for 30-35% of total steel demand, followed by infrastructure (25-30%) and automotive sector (11-13%).

Steel capex

CRISIL MI&A expects new additions capex in the steel industry to have been ~ Rs 358 bn in fiscal 2023. For this fiscal, the projection is at Rs 309 bn. The planned expansions by large players are majorly in the BF-BoF route.

Key trends and drivers Indian steel industry

In FY25, with exports remaining muted and the influx of imports contunuing, India is expected to remain a net importer. While potential production cuts in China remain uncertain and demand weak, CRISIL MI&A expects China's dominance in the export market with its competitive pricing to remain unchanged.

Reduced exports and an influx of cheaper imports impacted Indian steel prices in FY24. Lower than-anticipated demand in the Chinese domestic market forced Chinese mills to explore global markets, resulting in lower global price offerings. Cheaper imports and a competitive global market made India, a net importer.

In fiscal 2024, steel sector experienced strong demand from allied sectors and from the support of the government's capital spending drive. Steel demand was being driven by the infrastructure boom in roads and railways. As FY24 was a pre-election year, the government's capital expenditure surge in infrastructure initiatives drove the growth. Demand growth was around 14% on year. Healthy steel consuming segments like infra, automobiles, capital goods have supported the growth rate. Further, healthy urban housing progress ensured to push the demand for flats (in applications such as railings, doors, staircases, and outdoor construction)

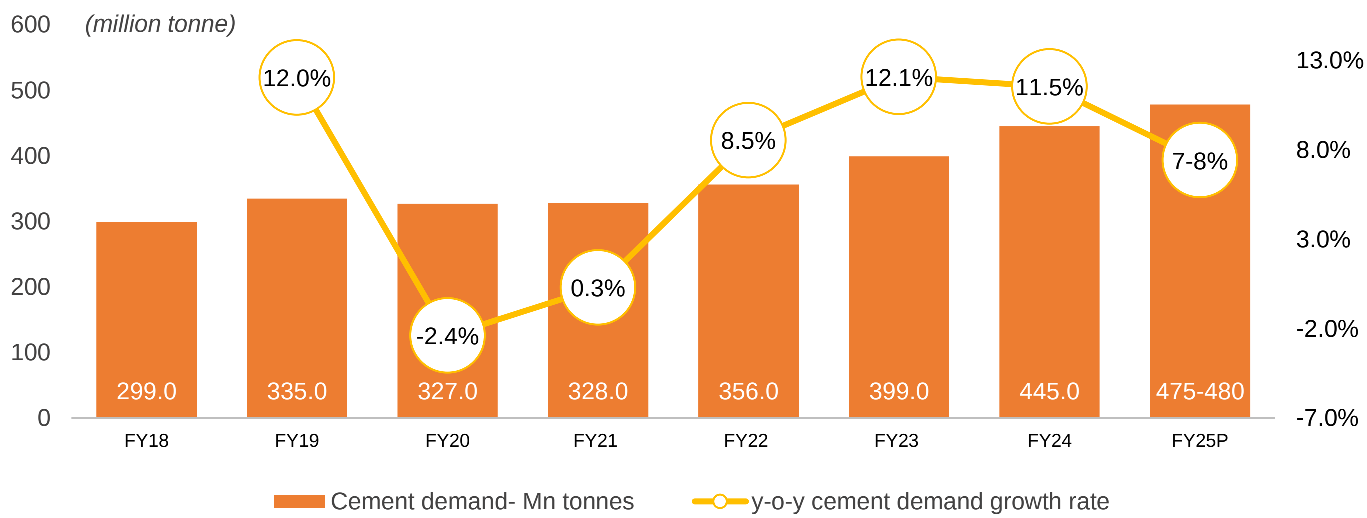
Cement Industry in India

The cement industry, one of India's oldest sectors, plays a crucial role in the country's economic development and contributes significantly to the nation's GDP. In fiscal 2024, domestic cement demand was estimated at ~445 MT, up 11.5% on-year. For fiscal 2025, the growth is projected at 7-8%.

On two consecutive healthy bases, demand growth is expected to moderate to 7-8% in fiscal 2025. While the infrastructure segment is expected to remain the key demand driver, a marginal rise of 4% in capex for core infrastructure ministries for fiscal 2025BE over fiscal 2024RE is expected to slow down demand growth of the segment to 9-10% in fiscal 2025. That said, the moderation is on a high base and the overall quantum of capex allocation is still high. The government's focus on developing dedicated rail corridors for energy, mineral, and cement sectors, higher budget allocation for metro (~7.57% higher allocation in 2025BE over 2024RE), UDAN scheme for airports, expansion of metro rail and Namo Bharat to more cities, ongoing NHAI and Bharatmala road projects should continue to support infrastructure demand. Demand from the housing segment is expected to moderate to 6-7% but to be driven by the rural housing segment owing to the expectation of healthy crop profitability on the back of above-normal monsoon predictions. Government focus on rural housing schemes in the upcoming budget remains a key monitorable. Elevated but steady interest rates to support urban housing growth from the real estate segment. However, lower execution under PMAY-U (Pradhan Mantri Awas Yojana - Urban) is expected to restrict growth in fiscal 2025. Hence, demand growth for housing is likely to be moderate. Further, on three consecutive healthy bases, growth from the Industrial and commercial (I&C) belt is expected to slow down, however, production-linked incentive (PLI) scheme, traction in commercial real estate and rise in private investments to continue to support traction from the segment. As a result, at an overall level demand growth is expected to moderate to a 7-8% rate in fiscal 2025.

In fiscal 2024, the infrastructure segment had been the major demand driver, led by central government's higher spending on key infra sectors ahead of elections. In FY24, central government's capital expenditure had been ~28% higher for road ministry and ~52% higher for railways compared to previous fiscal. Capacity expansion plans of large players in capital-intensive sectors (steel and cement), implementation of the production-linked incentive (PLI) scheme, rising warehousing spaces and return to office/hybrid model drove demand from the industrial and commercial segments. On a high base of last fiscal, rural housing witnessed moderate growth momentum in FY24 due to impact of El Nino condition on agri profitability; although the rise in demand was supported by a higher shortage of houses and the government's push to attain a central scheme (PMAY-G) targets before elections. Growth from urban housing was supported by traction from real estate although growth was at a slower pace due to elevated interest rates and capital values. Also, the construction pace under PMAY-U slowed down as the scheme nears closure and the sanctions have already surpassed targeted levels. At an overall level, the pre-election boost to infra and housing and growth from I&C segment led to an overall rise of ~11% in fiscal 2024 despite high base of previous fiscal.

Cement demand in India



P-ProjectedSource: CRISIL MI&A

The end-use sector mix within the cement industry mainly comprises the housing (56-58%), infrastructure (29-31%), and industrial/commercial (13-15%) segments. Post-pandemic demand in the real estate and urban housing sectors shot up in fiscal 2021 as the work-from-home mandate boosted demand for space at home, income stabilised, customers started preferring home ownership to rental, and the cost of buying declined. The housing segment is expected to moderate over the next five years (fiscals 2025 to 2029), on a high base but will remain a key contributor backed by a lower concretization rate in the country.

Cement capex

In fiscal 2024, the cement industry added ~43 million tonnes (MT), inclusive of grinding and integrated units, as against ~24 MT added in fiscal 2023, as players' profitability rebounded in lieu of easing cost pressures which in turn led to higher cash accruals for the capex spending during the fiscal. Going forward, fiscal 2025 is expected to witness a similar trend with further addition of ~46 MTPA. Over the near term, CRISIL MI&A estimates overall installed capacity to reach 678-683 MT as of fiscal 2025.

Key trends and drivers

- **Housing:** Cement demand from housing to be driven by affordable and rural housing. As of May 2024, a total of ~28.1 million units have been sanctioned under the PMAY-G, of which, 26.2 million have been completed). As many as ~1.9 million units are under construction. Construction pace slowed down during the second half of fiscal 2024 as uneven and delayed monsoon impacted agriculture activities regionally. Execution pace under PMAY-G is expected to slightly moderate in the first half of fiscal 2025, due to fund diversion during elections, however, it is expected to ramp up in the second half of fiscal 2025. Also, an expectation of above normal monsoon is expected to aid agriculture profitability in the current fiscal. The announcement in Vote of account budget 2025, to bring 20 million additional houses under the ambit of PMAY-Gramin scheme over the next five years, to support demand from the housing segment in the long run. Hence, CRISIL MI&A expects cement demand growth from rural housing to witness 6.5-7.5% in fiscal 2025.

- **Infrastructure:** Within infrastructure, roads have been the largest contributor to cement demand, followed by railways, irrigation, and urban infra. Besides creating employment opportunities, capital spending for roads and highways results in a multiplier effect on several other sectors. The overall gross budgetary outlay for the Ministry of Road Transport and Highways doubled from Rs 1.28 lakh crore in fiscal 2019 to Rs 2.64 lakh crore in fiscal 2024RE. Against this backdrop, the roads and highways budgeted capex for fiscal 2025 has witnessed a sharp moderation in growth rate and is only higher by 3% vis-à-vis fiscal 2024RE.

  In FY24, the Central government's capital expenditure has been ~28% higher for the road ministry and ~52% higher for railways compared to previous fiscal. Infrastructure is expected to continue its strong momentum, led by the government's spending, primarily across its flagship schemes, such as PM Gati Shakti and the National Infrastructure Pipeline. However, only a marginal rise of 4% in capex for core infrastructure ministries for fiscal 2025BE over fiscal 2024RE is expected to slow down demand growth of the infrastructure segment to 9-10% in fiscal 2025.

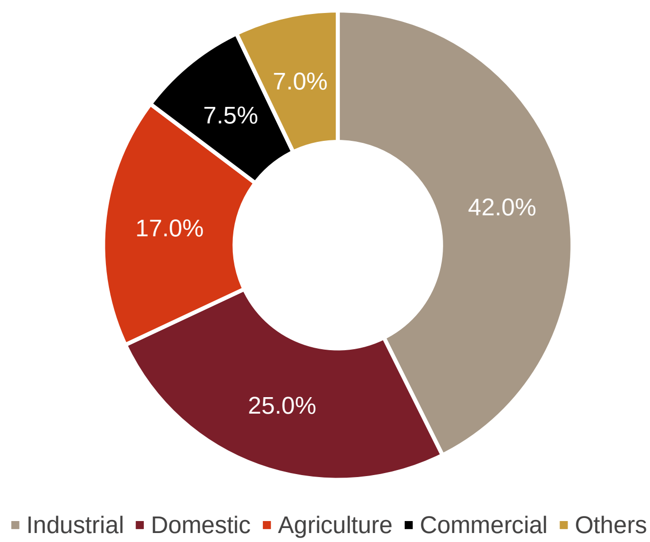
- **Industrial & commercial segments:** Cement demand from the industrial and commercial segments is expected to have grown by healthy 11-12% in fiscal 2024. Continued economic growth and softening commodity prices propelled players to go on a capex spree leading to healthy industrial growth during the fiscal. Further, on two consecutive healthy base, demand growth from I&C segment is expected to moderate but still grow by healthy 7-8% in fiscal 2025 supported by the implementation of PLI scheme, robust industrial capex, higher investments in warehouses and data centers and hybrid working model. Additionally, rising demand for commercial real estate owing to the development of IT/ITes industry, the establishment of MNCs & Global Capabilitiy Centres and corporate offices, etc will support demand growth in the long run.

Power industry in India

For India to sustain its economic growth trajectory, sufficient generation capacity and well-developed power infrastructure are critical. Power demand is closely linked to GDP growth where historically power consumption largely follows economic cycles. Power demand has historically lagged GDP growth by 1-2 percentage points but has bucked the trend consistently over fiscals 2021 to 2024, indicating the sustained momentum in consumption trends. In fiscal 2024, power demand surged by 7.4% driven by El-Nino led warmer temperatures along with a 7.6% increase in GDP growth despite a high base of 7.2% in fiscal 2023. CRISIL MI&A expects power demand to increase by 5.5-6.5% in fiscal 2025. This is expected to be driven by severe weather along with increase in economic output. Power demand is expected to reach 1,720-1,730 BU in fiscal 2025 after reaching 1,626 BU in fiscal 2024.

In terms of consumption, Commercial and industrial consumers dominate the power consumption in India accounting for nearly 50% of the total electricity consumed.

Segment-wise power consumption in fiscal 2023E



Note: Industrial share includes captive power consumption by industrial units

Source: CEA, CRISIL MI&A

In fiscal 2023, power consumption was dominated by the Industrial segment with a share of 42%. This was followed by domestic consumption at 25% and agriculture consumption at 17%.

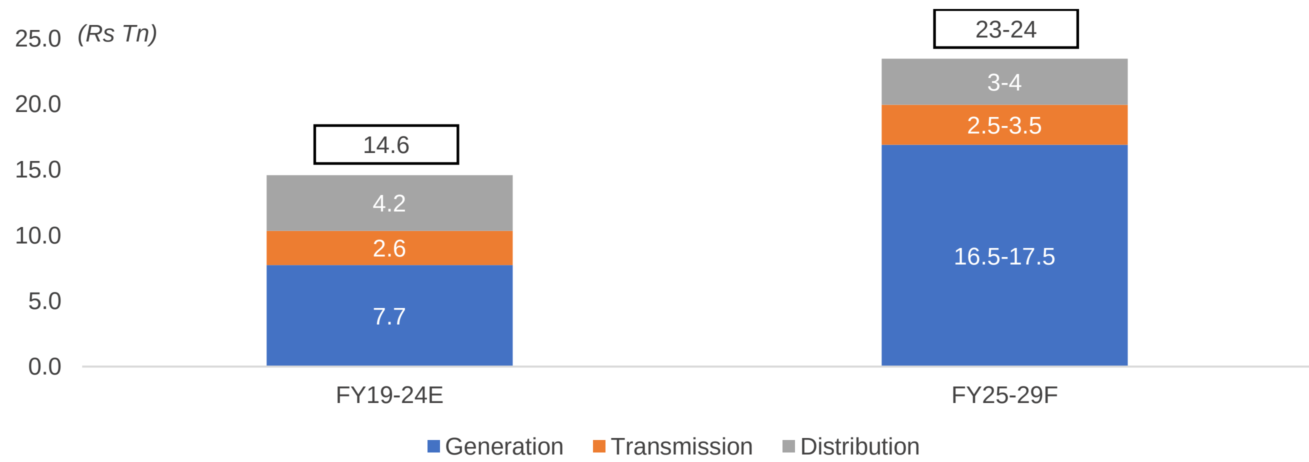
Capital expenditure in Indian power industry

CRISIL MI&A expects investments of Rs 23-24 trillion in the power sector between fiscal 2025-2029. Investments in power generation are expected to increase ~2.1 times from Rs ~7.7 trillion between fiscals 2019-2024 to Rs 16.5-17.5 trillion between fiscals 2025-2029. Investments in renewable energy generation capacity are expected to account for ~75% of these investments over the same period as India seeks to achieve its 500 GW of non-fossil energy capacity announced in COP26.

To achieve the RE generation target, strong transmission infrastructure is needed so as to integrate large scale RE capacities into the grid. This is expected to lead to transmission investments of Rs 2.5-3.5 trillion between fiscals 2025-2029 from ~Rs 2.6 trillion between fiscals 2019-2024 led by upcoming Inter State Transmission System projects.

Additionally, Rs 3-4 trillion worth of investments in the distribution segment is expected between fiscal 2025-2029 driven by upgradation of distribution infrastructure along with installation of smart meters as India focuses on reduction of its carbon emission.

Segment-wise break-up of total investments



E: Estimated, P: Projected
Source: CRISIL MI&A

Key trends and drivers in India's power industry

- **Macroeconomic factors:** Aatmanirbhar Bharat relief package, government spending on infrastructure through the National Infrastructure Pipeline, commissioning of dedicated freight corridors, expansion of the services industry, rapid urbanisation, and rising farm incomes from agriculture-related reforms are key factors increasing power demand. Also, policy initiatives, such as the PLI scheme and low corporate tax rates, among others, have supported large scale manufacturing in the country, further boosting power demand
- **Railway electrification:** Indian Railways (IR) is one of the world's largest rail networks. In a bid to become net zero emitter by 2030 the government aimed to achieve 100% electrification of Indian Railways by December 2023, however delayed electrification works due to pandemic induced lockdown coupled with sluggish pace of electrification hence CRISIL MI&A expects that 100% electrification will be achieved by fiscal 2025. This is expected to lead to an incremental power demand of approximately 23 BUs on an average every year between fiscal 2025 to 2029, also driven by new track laying by the IR which is already electrified. Ministry of Railways has been allocated a capital outlay of Rs 2.52 lakh crore in the Union Budget 2024-25. This is the highest ever allocation to the national transporter and continues on the trend followed last year with a gross budgetary support of Rs 2.4 lakh crore in fiscal

2023-24. This is expected to provide impetus to the sector in terms of creation of new lines, doubling existing lines and electrification of existing lines.

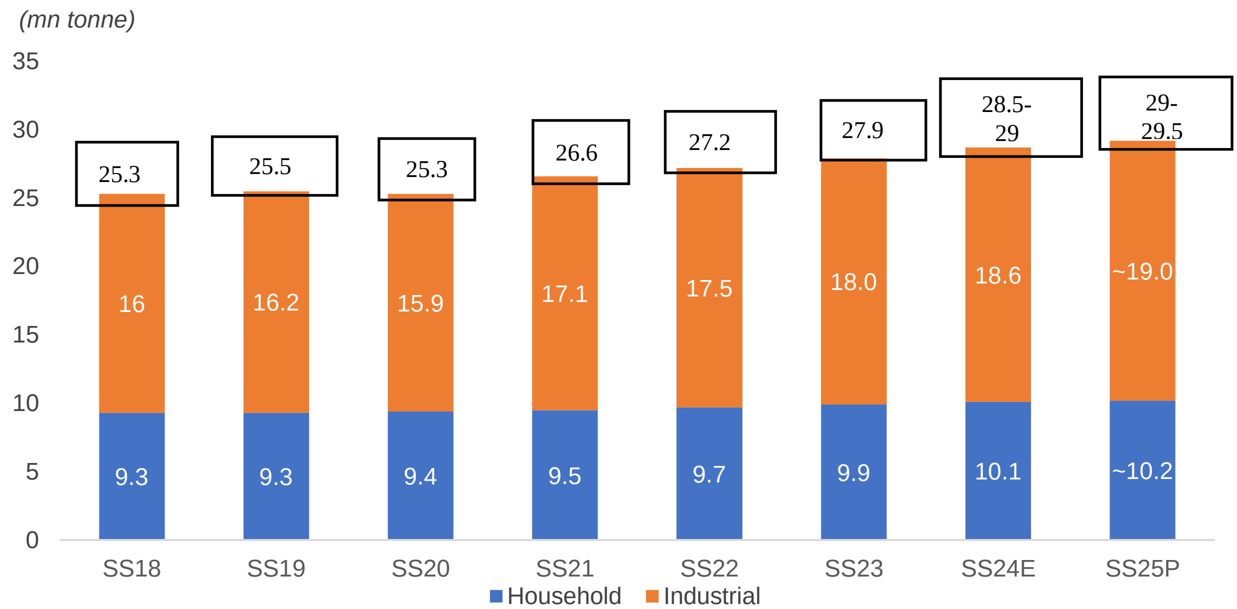
- **Metro projects**: The electricity consumption of the urban metro system mainly comes from electricity consumption for train traction and the electricity consumption for station operation. Metro rail has seen substantial growth in India in recent years, and the rate of growth is going to become twice or thrice in the coming years with multiple cities requiring the need for metro rail to meet daily mobility requirements. As of May 31, 2024, around 902 kms of metro routes are operational across 18 cities of India. Around 712 kms of metro line is under construction and 1,878 kms of metro lines are proposed further. Electricity consumption from the aforesaid categories is expected to add an average incremental power demand of 5-6 BUs every year between fiscal 2025 and 2029. Currently metro projects constitute a marginal share of the total incremental demand, but the share is expected to increase in the future due to a large quantum of planned metro projects.
- **Electric vehicles:** Under the National Electric Mobility Mission plan, the government is promoting EVs through demand-side incentives, in terms of subsidies, promoting setting up of charging infrastructure, and encouraging research and development in battery technology, power electronics, battery management, system integration, etc. CRISIL MI&A projects that, adoption of EVs will add upto 63 BUs of power demand between fiscal 2025 and 2029, an average of 12.5 BUs per year in the same period.

Sugar Industry in India

The sugar industry is a crucial agro-based sector. It directly affects the livelihoods of approximately 50 million farmers and around 500,000 workers employed in sugar mills, primarily in rural areas. In sugar season 2025 (October-September), sugar consumption is expected to increase moderately by ~2% to 29-29.5 MT from 28.5-29 MT in sugar season 2024. Industrial consumption that accounted for ~65% of total domestic sugar consumption in Sugar season 2023 is expected to rise steadily by 3% in Sugar season 2024 and by 2% in Sugar season 2025, led by a pick-up in demand from the hotels, restaurants, and cafes (HORECA), non-alcoholic beverages, and chocolates and confectionery segments.

Household consumption that accounted for ~35% of total domestic usage in Sugar season 2023 is expected to rise by ~1.5% with increasing population in 2024 and 2025 seasons as sugar is already a highly penetrated commodity.

Domestic sugar consumption



Note: E: Estimated, P: Projected
Source: CRISIL MI&A

HORECA segment is the major driver for growth of sugar consumption at industrial level led by changing food habits and increasing social gatherings. Along with that, with increasing disposable income, consumption of soft drinks has increased. Finally, chocolates and confectionary are growing as a segment with premiumization in gifting. With this, industrial consumption is expected to grow at ~3% and ~2% for SS 2024

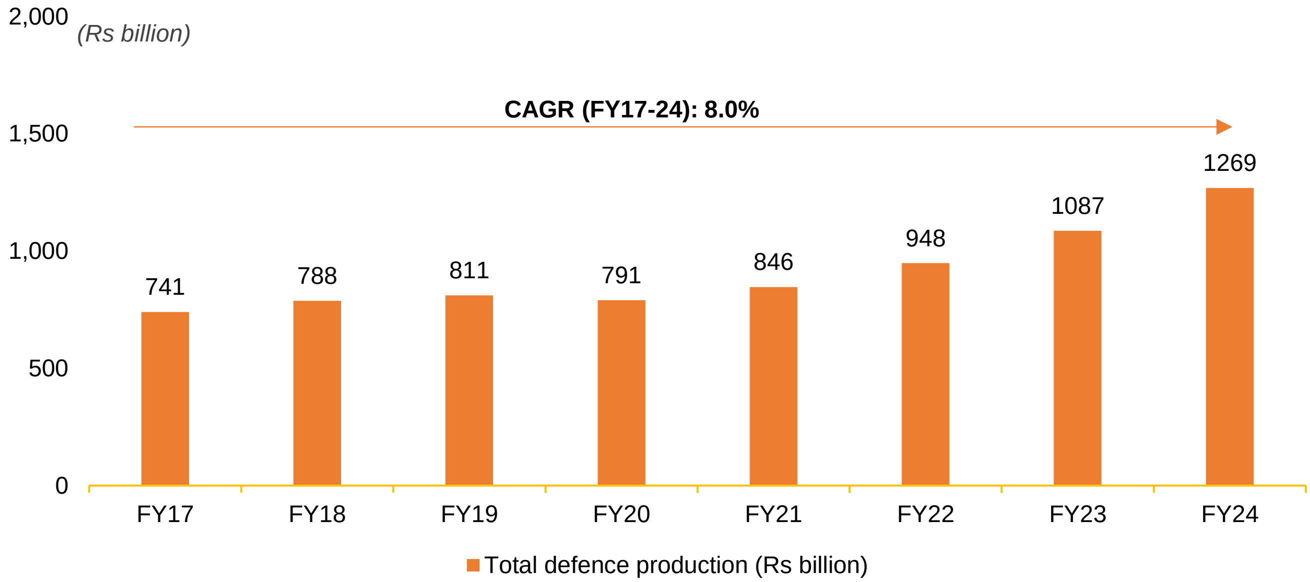
Key trends and drivers in India's sugar industry

- HORECA segment is the major sugar consumer, led by changing food habits and increasing number of social gatherings
- Rising disposable income will lead to increased consumption of soft drinks, chocolates, and confectionary, and, therefore, demand for sugar by those sectors
- However, household demand will be determined by prices of alternative sweeteners, i.e., jaggery and khandsari, and growth in the country's population

Defense industry in India

Over the past few years, indigenous defense production has been a key priority for the government. Various measures have been introduced to encourage the domestic defense industry. This includes, raising the FDI limit to 74% from 49%, DAP-2020 (which focuses on domestic procurement), PILs, simplification of industrial licensing, the iDEX scheme, SRIJAN portal, reforms in the offset policy, transfer of technologies, etc.

Total defence production in India, FY17-24



Note: E: estimated, P: projected
Source: MoD, CRISIL MI&A

Defence production in India totalled Rs 1,269 billion in fiscal 2024, up at a CAGR 8.0% over fiscals 2017-24. The growth was supported by policy reforms like raising the FDI limit to 74% from 49%, DAP-2020 (which focuses on domestic procurement), PILs, simplification of industrial licensing, the iDEX scheme, SRIJAN portal, reforms in the offset policy, transfer of technologies, strong impetus on the private sector's involvement, and infrastructure development (defence corridors in Uttar Pradesh and Tamil Nadu). The government has set a target of $5 billion exports and corresponding $22 billion defence production by 2025. The capital expenditure (capex) planned by the DPSUs will also boost domestic production.

Private sector in defense production

As of FY24, DPSUs held the largest share in the defence production at 58%, followed by private companies (21%), Ordnance Factory Board (OFB; 15%), and other PSUs/ JVs (5%).

Supported by policy support, the private sector has been growing at a slightly higher growth rate (9.4% over fiscals 2017-24) than DPSUs (9.0%). Over fiscals 2021-22, 85 new defence industrial licences were issued to the private sector. As of April 2023, the government has issued 606 industrial licences to 369 companies operating in the defence sector. Validity of the licences has been increased from 3 years to 15 years. PILs have opened new avenues of defence production for private companies and widened their scope to capture market share. In fiscal 2024, defence exports have reached an all-time high of $ 2.63 billion.

Competitive landscape assessment

In this section, CRISIL MI&A has compared key players in the domestic heavy engineering, wear plates and welding consumable industries. Data has been sourced from publicly available information, including annual reports and investor presentations of listed players, regulatory filings, rating rationales, and/or company websites. The financials in the competitive section have been re-classified by CRISIL MI&A, based on annual reports and filings by the players.

Overview of key players

The welding equipment, wear plates and heavy engineering industries comprise both organized and unorganized players, some of key players in these industries are listed below.

Company name	Year established
ISGEC Heavy Engineering Ltd	1993
Esab India Ltd	1987
Ador Welding Ltd	1951
Ewac Alloys Ltd	1962
Diffusion Engineers Ltd	1982
AIA Engineering LTD	1978

Source: CRISIL MI&A, company website and annual reports, secondary research

Key financial parameters

Operating income

Players	Revenue (operating income in Rs mn)				On-year growth (FY21-FY22)	On-year growth (FY22-FY23)	On-year growth (FY23-FY24)	CAGR growth %(FY21-FY24)
	FY21	FY22	FY23	FY24				
ISGEC Heavy Engineering Ltd	54,265	54,763	63,731	62,255	1%	16%	-2%	5%
Esab India Ltd	6,864	8,971	10,939	12,443	31%	22%	14%	22%
Ador Welding Ltd	4,493	6,627	7,789	8,869	47%	18%	14%	25%
Ewac Alloys Ltd	2,056	2,389	2,689	NA	16%	13%	NA	NA
Diffusion Engineers Limited	1,554	2,049	2,550	2,784	32%	24%	9%	21%
AIA Engineering Ltd	28,815	35,665	49,088	48,538	24%	38%	-1%	19%

Note: Diffusion data basis financials provided by client
NA: Not Available
Source: CRISIL MI&A, company website, company filings
Operating income – Revenue from operations which includes sales of products & services and other operating revenues

OPBDIT

Players	OPBDIT in Rs mn				On-year growth (FY21-FY22)	On-year growth (FY22-FY23)	On-year growth (FY23-FY24)	CAGR growth% (FY21-FY24)
	FY21	FY22	FY23	FY24				
ISGEC Heavy Engineering Ltd	5,015	3,191	4,855	5,042	-36%	52%	4%	0%
Esab India Ltd	891	1,229	1,898	2,306	38%	54%	22%	37%
Ador Welding Ltd	278	629	921	955	126%	46%	4%	51%
Ewac Alloys Ltd	252	346	282	NA	37%	-18%	NA	NA
Diffusion Engineers Limited	209	233	283	394	11%	21%	39%	24%
AIA Engineering Ltd	7,328	7,847	13,404	13,574	7%	71%	1%	23%

Note: Diffusion data basis financials provided by client

NA: Not Available

Source: CRISIL MI&A, company website, company filings

OPBDIT margin

Players	OPBDIT (% of total income)			
	FY21	FY22	FY23	FY24
ISGEC Heavy Engineering Ltd	9%	6%	7%	8%
Esab India Ltd	13%	14%	17%	19%
Ador Welding Ltd	6%	9%	12%	11%
Ewac Alloys Ltd	12%	14%	10	NA
Diffusion Engineers Limited	14%	11%	11%	14%
AIA Engineering Ltd	25%	22%	27%	28%

Note: Diffusion data basis financials provided by client

Source: CRISIL MI&A, company website, company filings

EBITDA

Players	EBITDA (Rs mn)				On-year growth (FY21-FY22)	On-year growth (FY22-FY23)	CAGR growth % (FY21-FY24)	CAGR growth %(FY21-FY24)
	FY21	FY22	FY23	FY24				
ISGEC Heavy Engineering Ltd	5,116	3,254	4,963	5,241	-36%	52%	6%	1%
Esab India Ltd	939	1,256	1,945	2,342	34%	55%	20%	36%
Ador Welding Ltd	288	649	946	986	126%	46%	4%	51%
Ewac Alloys Ltd	270	352	310	NA	30%	-12%	NA	NA

Diffusion Engineers Ltd	202	268	348	476	33%	30%	37%	33%
AIA Engineering Ltd	8,184	8,655	14,652	15,659	6%	69%	7%	24%

Note: Diffusion data basis financials provided by client

N.M- Not Mentionable

Source: CRISIL MI&A, company website, company filings

EBITDA- Earnings before interest, tax, depreciation, and amortization

EBITDA margin %

Players	EBITDA margin (% of total income)			
	FY21	FY22	FY23	FY24
ISGEC Heavy Engineering Ltd	9%	6%	7%	8%
Esab India Ltd	14%	14%	18%	19%
Ador Welding Ltd	6%	10%	12%	11%
Ewac Alloys Ltd	13%	15%	11%	NA
Diffusion Engineers Ltd	13%	13%	13%	17%
AIA Engineering Ltd	28%	24%	29%	32%

Note: Diffusion data basis financials provided by client

Source: CRISIL MI&A, company website, company filings

Profit after tax

Players	Profit after tax (Rs mn)				On-year growth (FY21-FY22)	On-year growth (FY22-FY23)	On-year growth (FY23-FY24)	CAGR growth % (FY21-FY24)
	FY21	FY22	FY23	FY24				
ISGEC Heavy Engineering Ltd	2,530	1,150	2,055	2,549	-55%	79%	24%	0%
Esab India Ltd	593	843	1,357	1,630	42%	61%	20%	40%
Ador Welding Ltd	-104	452	593	632	-535%	31%	7%	-282%
Ewac Alloys Ltd	154	288	-71	NA	87%	-125%	NA	NA
Diffusion Engineers Ltd	117	170	221	308	45%	30%	39%	38%
AIA Engineering Ltd	5,657	6,196	10,565	11,370	10%	71%	8%	26%

Note: Diffusion data basis financials provided by client

Source: CRISIL MI&A, company website, company filings

Profit after tax %

Players	PAT (% of total income)			
	FY21	FY22	FY23	FY24
ISGEC Heavy Engineering Ltd	5%	2%	3%	4%
Esab India Ltd	9%	9%	12%	13%
Ador Welding Ltd	-2%	7%	8%	7%
Ewac Alloys Ltd	5%	5%	-3%	NA
Diffusion Engineers Ltd	8%	8%	8%	11%
AIA Engineering Ltd	19%	17%	21%	23%

Note: Diffusion data basis financials provided by client

Source: CRISIL MI&A, company website, company filings

RoCE-%

Players	RoCE			
	FY21	FY22	FY23	FY24
ISGEC Heavy Engineering Ltd	14.5	7.8	10.6	12.2
Esab India Ltd	27.7	45.8	73.2	78.9
Ador Welding Ltd	-2	23.6	27.1	24.4
Ewac Alloys Ltd	20	38.9	-8.4	NA
Diffusion Engineers Ltd	14.6	16.9	18.0	20.2
AIA Engineering Ltd	17.7	17.1	25.1	22.6

Note: Diffusion data basis financials provided by client

Source: CRISIL MI&A, company website, company filings

ROCE (%) = Profit before interest/ (Average tangible net worth+ Total debt+ deferred tax liability).

ROCE indicates the ability of a company's management to generate returns for both debt holders and equity holders. The higher the ratio, more efficiently is the capital being employed by the company to generate returns

Gearing ratio

Players	Gearing			
	FY21	FY22	FY23	FY24
ISGEC Heavy Engineering Ltd	0.5	0.6	0.5	0.3
Esab India Ltd	0	0	0	0
Ador Welding Ltd	0.1	0	0.0	0.1
Ewac Alloys Ltd	0.2	0	0.0	NA
Diffusion Engineers Ltd	0.2	0.2	0.3	0.2
AIA Engineering Ltd	0.0	0.0	0.0	0.1

Note: Diffusion data basis financials provided by client

Source: CRISIL MI&A, company website, company filings

Gearing (times) = total debt/ Net worth

Gearing compares a company's total debt to shareholders equity

RoE-%

Players	RoE			
	FY21	FY22	FY23	FY24
ISGEC Heavy Engineering Ltd	13	5.5	9.2	10.4
Esab India Ltd	19.9	33.6	54.1	58.0
Ador Welding Ltd	-4.1	17.4	19.6	18.5
Ewac Alloys Ltd	15.2	29.4	-7.7	NA
Diffusion Engineers Ltd	11.7	15.1	16.9	18.5
AIA Engineering Ltd	14.3	13.8	20.3	18.5

Note: Diffusion data basis financials provided by client
Source: CRISIL MI&A, company website, company filings

ROE (%) = PAT/ Average tangible net worth
ROE measures the profitability of equity funds invested in the Company

Working capital ratio

Players	Working capital ratio			
	FY21	FY22	FY23	FY24
ISGEC Heavy Engineering Ltd	1.5	1.5	1.5	1.4
Esab India Ltd	1.7	1.5	1.7	1.7
Ador Welding Ltd	1.9	1.9	2.5	2.8
Ewac Alloys Ltd	1.3	1.5	1.5	NA
Diffusion Engineers Ltd	3.0	2.7	4.0	3.4
AIA Engineering Ltd	11.5	9.4	8.1	10.3

Note: Diffusion data basis financials provided by client
Source: CRISIL MI&A, company website, company filings
Working capital ratio – current assets/current liabilities

Key Observations.

- Among the players considered, Diffusion Engineers Ltd had the third highest CAGR of 21% for operating income between FY21-24, behind Ador welding Ltd with 25% CAGR and Esab India Ltd with 22% CAGR for FY21-24.
- For profit after tax, Diffusion Engineers Ltd had the second highest CAGR of 38%, among the players considered, between fiscal 2021-24, behind Esab India Ltd with 40% CAGR.
- Among the players considered, Diffusion Engineers Ltd had the third highest CAGR growth of 33% for EBITDA between fiscal 2021-24.

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 27 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Restated Consolidated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 37, 325 and 371, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward looking statements. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Consolidated Financial Statements included in this Prospectus. For further information, see "Restated Consolidated Financial Statements" beginning on page 325. Unless the context otherwise requires, in this section, references to "we", "us", "our", "our Company" or "the Company", refers to Diffusion Engineers Limited. Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Assessment of the welding consumables, wear plates and heavy engineering market in India" dated September 2024 (the "CRISIL Report") prepared and issued by CRISIL Limited commissioned by us in connection with the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Overview

We are engaged in the business of manufacturing welding consumables, wear plates and wear parts and heavy engineering machinery for core industries. With over four decades of experience, our Company is dedicated to providing specialized repairs and reconditioning services for heavy machinery and equipment. Additionally, we are also involved in trading of anti-wear powders and welding and cutting machinery. We provide super conditioning process at our manufacturing facilities, a surface treatment solution for machine components that enhances wear resistance, eliminates stress and improves their repairability ultimately extending their lifespan and reducing production costs. We have developed a synergistic system of forward integration whereby we manufacture special purpose electrodes and flux cored wires which are utilized for manufacturing wear resistance plates (commonly known as wear plates). These wear plates then become an integral part of majority of large industrial equipment which are made in our heavy engineering division and are significant contributor in manufacturing of industrial equipment used in core industries like cement, steel, power, mining, engineering, oil & gas, sugar, etc. This forward integration helps us in achieving efficiency in the production process and gaining competitive advantage, reducing product costs, enhancing supply chain control and reducing our dependency on third-party suppliers for our operations.

Welding consumables market in India is estimated at around Rs 51 billion in fiscal 2024, with fiscal 2027 projections around Rs 64-66 billion. Due to the rise in demand for improved infrastructure, a lot of investment is happening in infrastructure development, such as construction of roads, bridges, ports and airports. The wear plates market in India is estimated at around Rs 22 billion in fiscal 2024 and is expected to grow at a CAGR of 8-9% to ~Rs 28 billion in fiscal 2027. Wear plates are essential part of the industries such as power plants, steel mills, quarrying, cement etc., as these plates protect key components of these industry. As India continues to undergo rapid industrialization, each of these industries would grow and require wear plates to protect their equipment and machinery. India's heavy engineering capital goods industry is estimated to be Rs 3,100-3,200 billion as of fiscal 2024,and is projected to clock a CAGR of 7.5-8.5% over fiscals 2023-27 to reach Rs 3,800-3,900 billion. Heavy electrical engineering, earthmoving, construction and Mining Machinery, and Process Plant Equipment are the largest segments of the industry. Amongst the players considered for the industry between fiscal 2021-2024, our Company recorded third highest CAGR of 21% in operating income, second highest CAGR of 38% in profit after tax and third highest CAGR of 33% in EBITDA. *(Source: CRISIL Report)*

We focus on alloy and process development, quality and design to tailor-make products as per our customers' needs. With a team of over 130 qualified engineers deployed across various departments as of February 29, 2024 and decades of experience in welding consumables and wear plates, we possess the expertise to design, develop and manufacture complex and specialized industrial equipment and components for OEMs and end-user industries.

We presently operate from four manufacturing units, out of which Unit I, II and III are located in Nagpur Industrial Area, Hingna, Nagpur – 440 016, Maharashtra and Unit IV is located in Khapri (Uma), Nagpur – 441 501, Maharashtra for processing and manufacturing of our products. Our manufacturing operations are distributed across different units as under:

- Unit I: special purpose welding electrodes;
- Unit II: flux cored wires, wear plates and wear parts through fabrication and machining;
- Unit III: coatings for abrasion and corrosion resistance;
- Unit IV: flux cored wires (since Fiscal 2024), wear plates and heavy engineering machinery.

Each Unit is supported by necessary infrastructure for storage of raw materials, manufacturing of our products, storage of finished goods, together with quality control measures. For further information of our Units, see "*Our Business – Our Units*" on page 257 of this Prospectus. Our manufacturing Units are strategically located in the central part of the country with availability of all modes of transportation and facilitates convenient transportation of our products, sourcing of raw materials and easy access to customers. The equipment which is used for production of our products are owned by our Company.

We invest in R&D activities to create a differentiating factor and sustainability in our welding consumables products vis-à-vis our competitors and to meet our clients' specific requirements. Our dedicated DSIR-approved R&D facility at Unit I is equipped with laboratory infrastructure for various developmental activities, including process refinement, finished products testing and other raw materials analysis. We hold accreditation by the National Accreditation Board for Testing and Calibration Laboratories – ISO/IEC 17025:2017 for General Requirements for the Competence of Testing & Calibration Laboratories. Additionally, we undertake multiple stringent quality checks and hold Environment Management System (EMS) certification by TÜV SÜD South Asia Private Limited, Quality Management System (QMS)-ISO 9001:2015, Occupational Health and Safety Management systems – ISO 45001:2018 and Environment Management System – ISO 14001:2015.

Our Company was incorporated in the year 1982. We initially started trading in welding electrodes for super-conditioning. From the year 1993, we started manufacturing welding electrodes. In the year 1994, we acquired our Unit I for manufacturing welding electrodes. Subsequently, we acquired Unit II as a dedicated unit for manufacturing wear plates and flux cored wires. In the year 2015, we acquired our Unit III for manufacturing coatings for abrasion and corrosion resistances. In the year 2016, we set up and commenced operations at Unit IV for manufacturing heavy engineering equipment. Subsequently, we have also started production of flux cored wires and wear plates from Unit IV for which we have received consent to operate dated July 26. 2024 from MPCB. We also have overseas presence through our Subsidiaries in Singapore, Turkey and Philippines, and Joint Ventures/ Associates in United Kingdom and Malaysia.

Prashant Garg, our Promoter and Managing Director, has been instrumental in steering our Company towards forward integration from manufacturing welding consumables to heavy engineering equipment and adding new product lines to our business. He has paved the way for the concept of total wear solutions.

We intend to expand our portfolio of welding consumables by manufacturing of powders for corrosion and abrasion resistance to be used in welding applications into our product line. For further information, see "*Strategies – Our business*" on pages 259, respectively.

The following table sets forth a breakdown of our revenue from operations from Domestic and International market in absolute terms and as a percentage of total revenue from operations, for the periods indicated basis the location of the customers:

(₹ in Million, except percentages)

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	(₹)	**(%)**	**(₹)**	**(%)**	**(₹)**	**(%)**
Domestic market	2,517.96	90.53	2,190.69	85.95	1,884.15	92.09
International market	263.49	9.47	358.07	14.05	161.74	7.91
Total	**2,781.44**	**100.00**	**2,548.76**	**100.00**	**2,045.89**	**100.00**

In the last three fiscals, we have exported to Singapore, Uganda, Kenya, Nepal, Malaysia, Philippines, United Arab Emirates, Oman, Sri Lanka, Vietnam, Bangladesh, Tanzania, United Kingdom, Germany, Kuwait, United States of America, Indonesia, Russia, Senegal, Switzerland, Lebanon, Bulgaria, Croatia, Zambia, Nigeria.

The table below provides state-wise break-up of domestic revenue from operations on a restated standalone financial statement basis for the periods indicated below:

(₹ in million, except percentages)

Zone	**State**	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
		Revenue	**% of revenue from operations**	**Revenue**	**% of revenue from operations**	**Revenue**	**% of revenue from operations**
West	Goa	0.54	0.02	0.04	0.00	0.05	0.00
	Rajasthan	138.78	5.40	79.89	3.27	79.00	4.04
	Gujarat	232.90	9.06	565	23.15	575.03	29.37
	Dadra Nagar Haveli	-	-	0.88	0.04	1.36	0.07
	Sub-total (A)	**372.22**	**14.48**	**645.81**	**26.46**	**655.44**	**33.48**
South	Andhra Pradesh	63.57	2.47	43.76	1.79	57.68	2.95
	Karnataka	140.16	5.45	15.84	0.65	16.15	0.83
	Kerala	13.12	0.51	6.70	0.27	2.78	0.14
	Pondicherry	1.95	0.08	2.58	0.11	2.36	0.12
	Tamil Nadu	355.18	13.81	518.67	21.25	243.46	12.44
	Telangana	12.40	0.48	15.95	0.65	14.97	0.76
	Sub Total (B)	**586.38**	**22.81**	**603.5**	**24.72**	**337.4**	**17.24**
North	Chandigarh	0.22	0.01	0.05	0.00	7.8	0.4
	Haryana	160.20	9.06	59	2.42	126.11	6.44
	New Delhi	82.41	3.20	71.73	2.94	86.77	4.43

	Himachal Pradesh	5.21	0.20	90.19	3.7	4.61	0.24
	Jammu & Kashmir	8.60	0.33	1.51	0.06	1.91	0.1
	Punjab	21.39	0.83	12.11	0.5	22.85	1.17
	Uttar Pradesh	126.28	4.91	51.05	2.09	63.05	3.22
	Uttarakhand	2.97	0.12	1.76	0.07	2.31	0.12
	Sub-total (C)	**407.27**	**15.84**	**287.4**	**11.78**	**315.41**	**16.12**
East	Assam	7.52	0.29	2.56	0.11	0.95	0.05
	Bihar	8.20	0.32	8.87	0.36	18.38	0.94
	Chhattisgarh	38.14	1.48	42.14	1.73	23.1	1.18
	Jharkhand	58.70	2.28	101.63	4.16	54.12	2.76
	Meghalaya	10.55	0.41	0.11	0.00	0.08	0.00
	Odisha	147.39	5.73	113.13	4.63	97.85	5.00
	West Bengal	109.78	4.27	85.25	3.49	58.51	2.99
	Sub-total (D)	**380.26**	**14.79**	**353.69**	**14.48**	**252.99**	**12.92**
Central	Madhya Pradesh	43.87	1.71	38.52	1.58	69.48	3.55
	Maharashtra	517.76	20.14	217.48	8.91	165.12	8.43
	Sub-total (E)	**561.63**	**21.84**	**256.00**	**10.49**	**234.6**	**11.98**
Total (A+B+C+D+E)		**2,307.76**	**89.75**	**2,146.40**	**87.94**	**1,795.84**	**91.74**

The following table sets forth our industry-wise revenues generated from the sale of products on restated standalone financial statement for the periods indicated.

(₹ in Million, except percentages)

End-use segment	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	(₹)	**(%)**	**(₹)**	**(%)**	**(₹)**	**(%)**
Cement	942.59	36.66%	747.09	30.61%	719.13	36.74%
Engineering	357.93	13.92%	262.36	10.75%	145.50	7.43%
Power	188.02	7.31%	325.82	13.35%	291.76	14.90%
Steel	332.12	12.92%	291.19	11.93%	213.35	10.90%
Sugar	114.97	4.47%	104.00	4.26%	91.60	4.68%
Others(1)	635.63	24.72%	710.24	29.10%	496.24	25.35%
Total	**2,571.26**	**100.00%**	**2,440.70**	**100.00%**	**1,957.58**	**100.00%**

(1) Others includes sales to other sectors such as defense, glass, mining, paper, railways and also sales through our distributors, both in domestic and overseas market.

The table below sets forth certain key operational and financial metrics for the periods indicated:

(₹ in million, except percentages)

Particulars	**Fiscal**		
	2024	**2023**	**2022**

Financial KPIs			
Revenue from operations	2,781.44	2,548.76	2,045.89
Other Income	74.17	37.95	41.58
EBITDA	473.88	347.97	275.22
EBITDA margin	17.04%	13.65%	13.45%
Restated profit for the year	308.04	221.45	170.46
Restated profit for the year as % of Total Revenue (PAT margin)	10.79%	8.56%	8.17%
Average Capital employed	2,076.14	1,676.66	1,350.28
ROCE (%)	20.63%	18.46%	17.30%
ROE (%)	18.52%	16.86%	15.10%
Debt-to-Equity ratio	0.18	0.34	0.20
Interest Coverage Ratio	26.99	15.16	19.90
Current Ratio	1.89	1.70	1.69
Net Capital Turnover Ratio	4.50	5.18	4.99
Operational KPIs			
Revenue per sales person	17.72	17.10	13.82
Revenue per order of Wear Plates and Job Work	0.59	0.59	0.44
Revenue per order of Heavy Engineering Division	1.80	2.99	3.37

Business Operations

Diffusion Engineers Limited			
Welding and Anti-Wear Consumables	**Wear Plate / Wear Parts**	**Heavy Engineering Equipment**	**Trading**
• Special purpose electrodes • Flux cored wires • Cold Repair Compounds	• Wear Plates • Wear Parts • Welding Service – Job work	• Air Separator • High Pressure Grinding Rollers • FD fan • Mill body • RAPH Rotter	• Thermal Spray Powder • Welding Equipment

For further details please see "Our Products" below on page no. 180 of this Prospectus

Portfolio

The portfolio of our products and services can be classified into welding and Anti-wear consumables, wear plates / wear parts, heavy engineering equipment and trading.

The table given below sets out the sales turnover of our product categories for the periods indicated below:

Product Category	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(₹ in million)	**%**	***(₹ in million)***	**%**	***(₹ in million)***	**%**
Welding and Anti-wear Consumables	780.85	28.07	978.70	38.40	721.94	35.29
Wear plate / Wear parts	834.23	29.99	756.14	29.67	544.17	26.60

Product Category	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	(₹ in million)	**%**	***(₹ in million)***	**%**	***(₹ in million)***	**%**
Heavy Engineering Equipment	722.73	25.98	531.34	20.85	550.11	26.89
Trading	233.44	8.39	174.55	6.85	141.36	6.91
Sub-total (A)	**2,571.26**	**92.44**	**2,440.73**	**95.77**	**1,957.58**	**95.69**
Revenue from Subsidiaries						
Welding and Anti-wear Consumables	63.80	2.29	65.85	2.58	50.36	2.46
Wear plate / Wear parts	136.62	4.91	8.80	0.35	25.56	1.25
Trading	9.78	0.35	33.37	1.31	12.39	0.61
Sub-total (B)	**210.20**	**7.56**	**108.02**	**4.24**	**88.31**	**4.32**
Total (A+B)	**2,781.44**	**100.00**	**2,548.76**	**100.00**	**2,045.89**	**100.00**

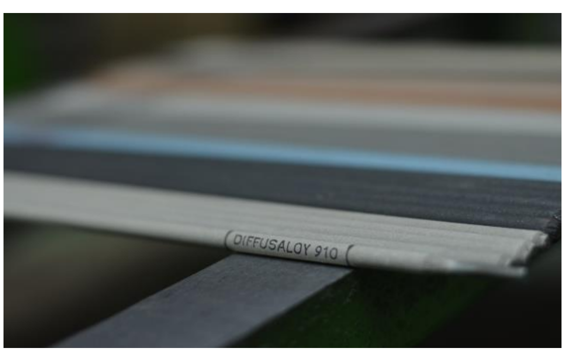
Our Products

A. Welding and Anti-wear Consumables

i. Special Purpose Electrodes

A welding electrode is a wire or rod built of metal or alloy and has a flux or without a flux and carries an electric current to obtain sufficient heat for welding. The rod is used to sustain the welding arc and to provide the filler metal required for the joint to be welded. The coating protects the metal from damage, stabilizes the arc, and improves the welding. Welding electrodes can be classified into non-consumable electrodes and consumable electrodes.

A special purpose electrode is specially formulated maintenance purpose welding electrodes that ensure the enhancement of working performance with minimum heat input. We manufacture a range of electrodes using alloys such as tungsten, nickel, chromium, cobalt, molybdenum, niobium, vanadium, etc. Our special purpose electrodes business on standalone basis accounted for ₹521.31 million, ₹529.53 million and ₹371.82 million representing 20.27%, 21.70% and 18.99% respectively of our total revenue from operation for the Fiscals 2024, 2023 and 2022.



Flux Cored Wire

Flux-cored wire is a type of welding consumable used in various welding processes. It is a tubular wire filled with flux material, and it can be used with both shielded metal arc welding and gas metal arc welding processes. The flux inside the wire serves multiple purposes during the welding process.

The flux inside the wire is a mixture of various compounds, including minerals, metal powders, and chemical agents. The composition of the flux is designed to provide specific benefits, such as shielding the molten weld pool from atmospheric contamination, stabilizing the arc, and facilitating the removal of impurities from the weld metal.

Flux-cored welding is often chosen for its ability to achieve higher welding speeds compared to some other processes. The combination of the continuous wire feed and the flux's ability to protect the weld pool allows for efficient and rapid welding. Flux-cored welding is commonly used in industries such as cement, steel, power, sugar, mining, construction, shipbuilding, pipeline welding, structural fabrication, etc. It is suitable for both semi-automatic and automatic welding applications.

Our flux cored wire business on standalone basis accounted for ₹203.12 million, ₹407.85 million and ₹302.92 million representing 7.90%, 16.71% and 15.47%, respectively of our total revenue from operation for the Fiscals 2024, 2023 and 2022.

FLUX CORED WIRE

FLUX CORED WIRE MACHINE

ii. Cold Repair Compounds

We manufacture cold repair compounds based on polymer chemistry and ceramic composites that withstand high wear and tear. These products are used for maintenance coatings, anti-corrosive coating, electrical insulation coating, structural coatings and floor coatings.

Our cold repair compound business on standalone basis accounted for ₹56.43 million, ₹41.33 million and ₹47.20 million representing 2.19%, 1.69% and 2.41%, respectively of our total revenue from operation for the Fiscals 2024, 2023 and 2022.

ANTI CORROSIVE COATING RANGE

ANTI CORROSION COATING JOB

B. Wear Plates/Wear Parts

i. Wear Plates

Wear plates which are also known as abrasion-resistant plates, are used to reduce wear and tear on equipment surface caused by harsh working environment prevalent in industries. These wear plates are used to protect assets against abrasion, impact, corrosion, high temperature wear, etc. Since we are backward integrated to manufacture flux cored wires, we can produce a variety of wear plates according to the severity of the application and have significant control on cost.

These wear plates are used across various industries and find its application where abrasion, wear, tear and impact requirements are particularly critical. We offer a wide range of wear plates manufactured by open arc welding process using flux-cored wire. This open arc process ensures optimum penetration and minimal dilution, thereby yielding higher hardness and wear resistance properties.

Our wear plates business on standalone basis accounted for ₹341.44 million, ₹305.12 million and ₹182.96 million representing 13.28%, 12.50% and 9.35%, respectively of our total revenue from operation for the Fiscals 2024, 2023 and 2022.

ii. Wear Parts

There is growth in the market for ready to fit wear parts for quality, cost and delivery. We manufacture wear parts using wear plates, forgings and castings hard-faced using our consumables, We engineer these parts to provide maximum wear resistance, ease of assembly, reduction of replacement time with the aim to increase equipment availability and reduce downtime. These are critical components of large machineries used in cement, steel, power plant industry, etc. We have manufactured several wear parts including Grizzly Bars, Coal Nozzle Tip, Wear Liners, Chutes & Ducts, Hard Face Pipe, Guide Vanes, Sinter Spikes, Sinter Screen Decks, Screw Conveyors, Grit Cone, Bell Housing, Rotor Bearing and Separator Casing and Rotor. We have a self-sufficient manufacturing facility where we can manufacture wear parts using wear plates and hard-facing consumables, ensuring control over the production process.

Our wear parts business on standalone basis accounted for ₹365.12 million, ₹288.24 million and ₹210.67 million representing 14.20%, 11.81% and 10.76%, respectively of our total revenue from operation for the Fiscal 2024, 2023 and 2022.

FABRICATED BIG BELL

iii. Welding service – job work

In our welding service and job work business, we specialize in enhancing the lifespan, reducing life cycle costs, and addressing the demand for spare parts in heavy machinery used by prominent core industries, including cement, power, and steel. Our comprehensive welding services involve meticulous maintenance work performed at our facility and involves, including but not limited to wear prognosis, joining of any broken machine part, protective coating and rebuilding of worn-out components using wear resistant alloys. Customers entrust us with their heavy machinery, which we inspect, repair, and upgrade as needed to optimize performance and durability. Upon completion of the job work and maintenance services, we transport the machinery back to our customers, contributing to the seamless operation and prolonged efficiency of their critical industrial equipment. Additionally, we also extend our services beyond our premises, dispatching our skilled and experienced technicians to our client’s facilities for on-site heavy machinery maintenance and other job works.

Our welding service – job work business on standalone basis accounted for ₹127.67 million, ₹162.78 million and ₹150.54 million representing 4.97%, 6.67% and 7.69%, respectively of our total revenue from operation for the Fiscals 2024, 2023 and 2022.

Roller Press Roll - Worn out **Roller Press Roll - Refurbished**

Roller Press Roll - Newly Manufactured

C. Heavy Engineering Equipment

We are into manufacturing and fabrication of heavy engineering equipment used in cement, steel, power, sugar, engineering sectors and other core industries. We manufacture and fabricate heavy engineering equipment at our dedicated unit situated at Khapri (Uma), Nagpur – 441 501, Maharashtra (Unit IV).

Our manufacturing facility is well equipped with machine tools to handle large industrial equipment. Below are the details of few of our machineries to undertake these heavy engineering jobs.

Machinery	Specification
Double Boom Crane	50/15 MT
Vertical Lathe Machine	Diameter – 1, 4, 3.5meters

	Height – 7, 2.8, 6.3 meters
Double Girder Crane	25 MT and 10 MT
Wear Plate System with Zig-Zag and Straight Welding	6 torch, 4 torch and 3 torch
Conventional V-Belt Lathe Machine	Length – 10, 7 meters Diameter – 1.8, 1.5 meters
Hydraulic Plate Bending Machine	Width – 3, 2.5 meters Thickness – 80 and 20 millimeters
Profile Bending Machine	Width – 150 millimeters Thickness – 50 millimeters
Hydraulic Press machines	350 ton and 250 ton
Rotator	60 Ton
CNC machine (3 /12 bed)	Width – 3 meters Thickness – 150 millimeters

In the past, we have manufactured heavy engineering equipment having approximate specifications such as:

- 200 tons Air Separator used in raw mill of Cement Plants
- 65 MT FD Fan for Power Plant with height 9 meters and length 20 meters
- 70 MT Mill body for Cement Plants
- 50 MT High Pressure Grinding Rollers for Cement Plants
- 350 MT RAPH Rotter for Power Plant

Our heavy engineering equipment business on standalone basis accounted for ₹722.73 million, ₹531.34 million and ₹550.11 million, representing 25.98%, 21.77% and 28.11%, respectively of our total revenue from operation for the Fiscals 2024, 2023 and 2022.

Given below are details of some of the notable work undertaken by us in the past.

TYPE OF JOB - Tri-Sector Plate Assembly
Industry – Power Plant
HEIGHT AND WIDTH – 2.5 M Height and 16 Meter length, 4 meter width in dismantled condition
WEIGHT – 60 MT approx.

TYPE OF JOB - Mill Housing
Industry – Cement Plant
HEIGHT AND WIDTH – 4.5 meter Height and 10 meter Diameter approx.
WEIGHT – 25 MT approx.

TYPE OF JOB - Sinter Breaker Shaft
Industry – Steel Plant
HEIGHT AND WIDTH –2 Meter Height and 2 Meter by 12 Meter width
WEIGHT – 40 MT approx.

TYPE O– JOB - Separator Rotor
Industry – Cement Plant
HEIGHT AND WIDTH – 4.5 Meter and 6 Meter Diameter
WEIGHT – 15 MT approx.

TYPE OF JOB - Air Pre Heater
Industry – Power Plant
HEIGHT And WIDTH – 2.8 Meter and 16 Meter
WEIGHT – 140 MT approx. in assembled condition

TYPE OF JOB - FGD Fans Statics Industry – Power Plant
HEIGHT AND WIDTH – 9.5 Meter and width 7 meter approx. & length 20 meter approx. in assembled condition
WEIGHT – 65 MT approx. in assembled condition

D. Trading

i. Thermal Spray Powder

We offer a wide range of atomized powders (also known as thermal spray powders) for surface coating applications, available in nickel, cobalt, and iron-based alloys. We source these thermal spray powders from LSN Diffusion Limited (LSN), our joint venture based out of United Kingdom, for selling in the domestic market. These powders find applications across a diverse spectrum of industries, including surface engineering, high-temperature brazing, and protection against wear, as well as in heat and corrosion-prone parts. For further information about LSN, please refer "*History and Certain Other Corporate Matters- Material Agreements with strategic partners, joint venture partners and/ or financial partners and other agreements*" on page 280 of this Prospectus.

Our trading of thermal spray powder business on standalone basis accounted for ₹156.79 million, ₹91.57 million and ₹43.55 million representing 6.10%, 3.75% and 2.22%, respectively of our total revenue from operation for the Fiscals 2024, 2023 and 2022.

ii. Welding Equipment

We provide a comprehensive range of welding solutions, including welding machines, protective gear, and various welding essentials. To ensure quality, all our equipment undergoes basic on-site testing before reaching our customers. We get these products contract manufactured according to our specifications. This approach allows us to offer high-quality welding solutions, leveraging the experience and scale of manufacturers while ensuring our customers receive reliable and thoroughly tested equipment.

Our trading of welding equipment business on standalone basis accounted for ₹76.65 million, ₹82.98 million and ₹97.80 million representing 2.98%, 3.40% and 5.00%, respectively of our total revenue from operation for the Fiscals 2024, 2023 and 2022.

Welding Machines

Competitive Strengths

- **Synergistic business models focused on forward integration**

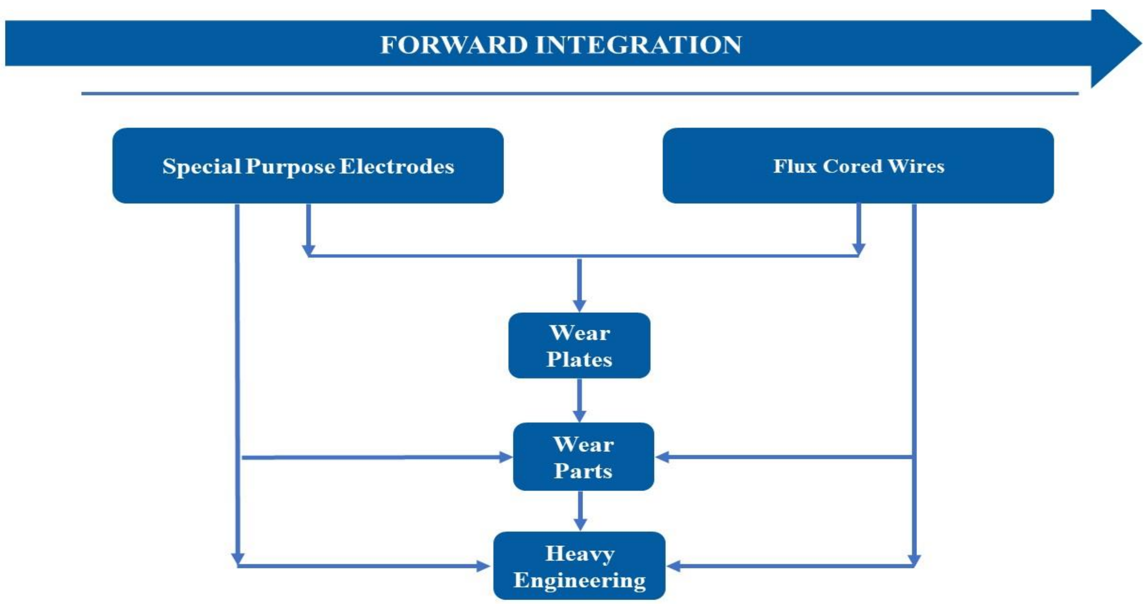
In 1993, we started manufacturing welding electrodes, gradually expanding our offerings to include flux cored wire in the year 1997. Subsequently, we also started manufacturing wear plates and wear parts using flux cored wire. These wear plates are further being utilized for manufacturing of wear parts and heavy engineering equipment. We have embarked on forward integration journey, transitioning from a manufacturer of welding electrodes to producing flux-cored wires, wear plates, wear parts, and now to heavy engineering, broadening our scope and expertise in the industry. Over the years, we have expanded our capabilities to offer not only quality welding consumables but also comprehensive welding services for core industries. Our commitment in manufacturing and welding services ensures that our clients receive a comprehensive and streamlined approach to meet their welding and anti-wear needs, ultimately contributing to the longevity and optimal performance of their heavy equipment.

Our revenues from welding electrodes, wear plates, wear parts and heavy engineering business on standalone basis contributes in aggregate 90.92%, 92.85% and 92.78%for the fiscals 2024, 2023 and 2022.

Further, the manufactured special purpose electrodes and flux cored wire are consumed in-house as well as sold to our customers (domestic and international) ensuring economies of scale and minimal wastage. Below is the summary of captive consumption for special purpose electrodes and flux cored wire on standalone basis:

Products and Captive Consumption	Fiscal 2024	Fiscal 2023	Fiscal 2022
Special Purpose Electrodes production (in MT)	602.26	532.65	638.16
Special Purpose Electrodes captively consumed (in MT)	121.94	198.60	199.53
% production of Special Purpose Electrodes captively consumed (in MT)	20.25%	37.29%	31.27%
Flux Cored Wire production (in MT)	1,613.70	1,508.13	1,324.37
Flux Cored Wire captively consumed (in MT)	1,242.69	1,243.21	1,057.15
% production of Flux Cored Wire captively consumed (in MT)	77.01%	82.43%	79.82%

This forward integration helps in achieving efficiency in the production process and gaining competitive advantage, reduction in product costs, control over supply of raw materials and reduce our dependency on third parties for our operations.



- **Serving industry major players directly as well as through OEMs**

We serve diverse clientele, which includes both OEMs who service major players in the cement, steel, and power sectors, as well as direct customers. These OEMs, in turn, service major players of their respective industry. This intricate network positions us as a vital link in the OEM ecosystem of some of the major players in core industries.

In addition to our relationships with OEM customers, we also directly engage with the end customers in these core sectors. This direct interaction with established customers in cement, steel, and power industries underscores our capability to serve and meet the distinctive needs of major players in these industries.

Below is the bifurcation of our business between OEM customers and direct customers on standalone basis:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Number of OEM customers	31	27	21
Revenue generated from OEM customers (₹ in million)	731.50	715.53	653.91
% contribution in our revenue from OEM customers	27.75%	29.32%	33.40%
Number of direct customers	472	473	423
Revenue generated from direct customers	1,857.75	1,725.21	1,303.67
% contribution in our revenue from direct customers	72.25%	70.68%	66.60%

- **Long-standing relationships with customers across industries**

We have, through over 4 decades of business operations, established long-standing relationships with several Indian and global customers across industries. We have a diversified customer base and we have served 503, 500 and 444 customers for the Fiscals 2024, 2023 and 2022, respectively. We believe our focus on quality, providing customized solutions to our customers and timely delivery of our product offerings have helped us establish and maintain long term relationships with our customers, retain existing customers and attract new customers.

The table below sets forth below our revenue from customers, segregated on the basis of the years of relationship with such customers:

Period of Customer Relationship	Fiscal 2024			Fiscal 2023			Fiscal 2022		
	Number of Customers as of March 31, 2024	Revenue From such Customers (₹ million)	% of Revenue from Sale of Products	Number Of Customers as of March 31, 2023	Revenue from such Customers (₹ million)	% of Revenue From Sale of Products	Number Of Customer s as of March 31, 2022	Revenue from such Customers (₹ million)	% of Revenue From Sale of Products
More than five years	233	1,762.65	68.55%	250	1451.2	59.46%	234	1159.71	59.24%
Five years and less	270	808.61	31.45%	250	989.54	40.54%	210	797.87	40.76%
Total	**503**	**2,571.26**	**100.00 %**	**500.00**	**2,440.74**	**100.00 %**	**444.00**	**1,957.58**	**100.00 %**

Further, our diversification of revenue across multiple customers allows us to minimize any adverse impact from customer specific challenges.

The table below sets forth the breakdown of our revenue from operations across our top ten customers, as a percentage of our total revenue from operations on restated standalone financial statement for the Fiscals 2024, 2023 and 2022.

Customers	Fiscals					
	2024		2023		2022	
	Amount (₹ in million)	%	Amount (₹ in million)	%	Amount (₹ in million)	%
Customer 1	121.98	4.39	125.21	5.13%	163.04	8.33%

Customer 2	120.28	4.32	106.04	4.35%	85.05	4.34%
Customer 3	114.82	4.13	104.39	4.28%	84.59	4.32%
Customer 4	91.65	3.29	94.53	3.87%	64.88	3.31%
Customer 5	86.34	3.10	64.21	2.63%	61.53	3.14%
Customer 6	71.72	2.58	56.24	2.30%	58.59	2.99%
Customer 7	60.19	2.16	53.00	2.17%	36.90	1.88%
Customer 8	52.75	1.90	51.07	2.10%	33.87	1.73%
Customer 9	50.12	1.80	50.59	2.07%	32.50	1.66%
Customer 10	48.80	1.75	50.08	2.05%	30.41	1.55%
Total	**818.65**	**29.43%**	**755.36**	**30.95%**	**651.36**	**33.25%**

- **Consistent financial performance**

Over the years, our Company on standalone basis has grown from a single product to multi-product manufacturing company. We have demonstrated consistent growth in terms of revenues and profitability. Our revenue from operations has grown from ₹878.37 million in Fiscal 2013 to ₹2,571.26 million in Fiscal 2024, registering a CAGR of 10.26% in last 11 years. Our PAT has grown from ₹73.22 million in Fiscal 2013 to ₹ 233.95 million in Fiscal 2024, registering a CAGR of 11.14% in last 11 years. Further, amongst the players considered for the industry between fiscal 2021-2024, our Company recorded third highest CAGR of 21% for operating income, second highest CAGR of 38% for profit after tax and third highest CAGR of 33% for EBITDA. *(Source: CRISIL Report)*. We strive to maintain a sound financial position with emphasis on having a strong balance sheet. Our balance sheet and cash flows enable us to fund our strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations.

- **Experienced promoters and strong management team**

Prashant Garg, Promoter and Managing Director of our Company and a second-generation entrepreneur has been associated with our Company since 2003. He has a rich experience of nearly two decades in the industry we operate. Our Company has grown rapidly over the last few years primarily due to the vision, commitment and dynamism demonstrated by our promoter and he continues to be the driving force for our Company.

In addition to our Promoters, our key management and senior management team includes qualified, experienced and skilled professionals who possess requisite experience across various division of our business. We believe the stability of our management team and the industry experience brought on by our Promoters enable us to continually take advantage of future market opportunities. Our senior management team is well qualified to leverage our market position with their collective experience and knowledge in our industry, to execute our business strategies and drive our future growth. For further details relating to our Key Managerial Personnel and Senior Management Personnel, see "*Our Management –Key Managerial Personnel and Senior Management Personnel*" on page 311.

- **Strategically located manufacturing facilities**

Our business operations in Nagpur, Maharashtra, boast a strategic location at the heart of the country, providing significant advantages for our business operations. Our central location ensures easy access to industries across the entire country, streamlined logistics for procurement and timely delivery to our customers. With our manufacturing units centrally located, we can efficiently serve diverse industries and segments, reaching both urban and remote areas alike. This central location minimizes transit times for shipments, enhances our operational efficiency and supports prompt responses to customer demands.

Additionally, the location contributes to cost-effective logistics as transportation costs are optimized due to the reduced distances to various regions, positively impacting our overall cost structure.

Strategies

- ***Strategic expansion by venturing into nickel, cobalt and iron-based powder manufacturing for enhanced welding consumables portfolio***

In a strategic move to diversify and enhance our portfolio of welding consumables, we intend to venture into manufacturing of nickel, cobalt and iron-based powders to cater to the growing demand for these powders within our customer base and the industry at large. Currently, we source thermal spray powders from LSN Diffusion Ltd. (UK), our associate company (for more details see "*History and Certain Corporate Matters – 'Associate and Joint Ventures of our Company*" on page 280 of this Prospectus). Transitioning to in-house manufacturing offers numerous benefits including the following:

- Increased Profit Margin: Manufacturing in-house allows for greater control over costs, leading to an increased profit margin.
- Make In India – Prioritizing domestic production for preference in the Make in India initiative by the Government of India.
- Logistical Cost Saving: Eliminating dependence on external suppliers reduces logistical costs, contributing to overall cost efficiency.
- Competitive Pricing: Direct manufacturing enables us to offer competitive pricing to our customers, enhancing our market competitiveness.
- Reduction in reliance on imports: Currently, all these thermal spray powders are imported by us and therefore, having local manufacturing will reduce our foreign exchange spends and any associated uncertainties.
- Economies of Scale: In-house production allows us to benefit from economies of scale, driving down the per-unit cost of production.
- Faster Order Delivery: Internal manufacturing will help expedite order fulfillment, providing quicker delivery time to our customers.

Confident in our capabilities, we will leverage our existing trading experience, familiarity with market conditions, customer demand, pricing dynamics, and supply chain intricacies to seamlessly transition into manufacturing.

To facilitate this endeavor, we intend to enter into a technical collaboration agreement with our associate, LSN, for the transfer of technology integral to the manufacturing process. This strategic move not only strengthens existing customer relationships but also opens avenues to onboard new customers from untapped markets.

These powders, used for surface coating applications, come in three categ–ries - nickel, cobalt, and iron-based alloys. Manufactured through inert gas and water atomization, these powders find applications in surface engineering, high-temperature brazing, wear protection, and defense against heat and corrosion.

- **Expanding our geographical reach**

Currently we are having subsidiaries in Singapore, Turkey and Philippines which are contributing towards the growth of our Company and joint ventures/ associates in United Kingdom and Malaysia. In the last three fiscal years, we have exported to Singapore, Uganda, Kenya, Nepal, Malaysia, Philippines, United Arab Emirates, Oman, Sri Lanka, Vietnam, Bangladesh, Tanzania, United Kingdom, Germany, Kuwait, United States of America, Indonesia, Russia, Senegal, Switzerland, Lebanon, Bulgaria, Croatia, Zambia, Nigeria. Below is the region wise bifurcation of our exports on standalone basis:

Region	Fiscals					
	2024		2023		2022	
	Amount (₹ in millions)	% of total revenue from operations	Amount (₹ in millions)	% of total revenue from operations	Amount (₹ in millions)	% of total revenue from operations
Africa	45.84	1.78	87.52	3.62	54.17	2.79
APAC	104.11	4.05	109.50	4.53	59.60	3.07
Asia	13.19	0.51	25.51	1.06	27.30	1.41
Europe	60.41	2.35	22.47	0.93	4.87	0.25
Middle east	39.90	1.55	28.68	1.19	15.80	0.81
USA	0.04	0.00	20.66	0.85	-	-
Total	**263.49**	**10.25**	**294.34**	**12.18**	**161.74**	**8.33**

As per CRISIL Report, the global welding consumables market was estimated at ~$16.6 billion in calendar year (CY) 2023 and is projected to grow to ~$19.5-20.5 billion in CY27, at a CAGR of ~5 %. The global wear plates market is estimated to be around $3.6 billion for calendar 2023, with calendar 2027 projections around $4.4 billion at ~5-6% CAGR. We intend to expand our customer base and increase our market share in our existing geographies as well as explore new geographies. We intend to focus our efforts in the select geographies such as Turkey and establish a greater presence there. For this purpose, we have incorporated a subsidiary Diffusion Eurasia Mühendislik Sanayi Ve Ticaret Anonim Şirketi in Turkey, for details, please see chapter titled *"Our Subsidiaries"* on page no. 284 of this Prospectus.

- **Strategic Leasing and Maintenance Business Model for Heavy Equipment**

India's heavy engineering capital goods industry is estimated to be Rs 3,100- 3,200 billion as of fiscal 2024 and is projected to clock a CAGR of 7.5 – 8.5% over fiscals 2023-27 to reach Rs 3,800-3,900 billion. Heavy electrical engineering, earthmoving, construction and mining machinery, and process plant equipment are the largest segments. The industry is expected to continue to expand on the back of rising manufacturing and construction activities *(Source: CRISIL Report).* In light of the substantial costs associated with acquiring heavy equipment crucial for sectors like cement, steel and power, we have devised a business model aimed at alleviating the financial strain on our customers by offering a comprehensive leasing and maintenance solution to optimize operational efficiency, provide financial flexibility and allow for strategic resource allocation.

Our strategic leasing program enables customers to access heavy equipment without incurring substantial upfront costs associated with outright purchase. Leasing and maintenance fees are pre-determined, providing customers with a predictable and manageable financial outlay. This transparency aids in budgeting and financial planning. For the Fiscal 2024, 2023 and 2022 the revenue generated from leasing and maintenance business amounts to ₹21.00 million, ₹20.82 million and ₹17.32 million representing 0.82%, 0.85% and 0.82% of our revenue from operations.

- **Diversifying our Anti Wear Solutions and Heavy Engineering Equipment business into new industries**

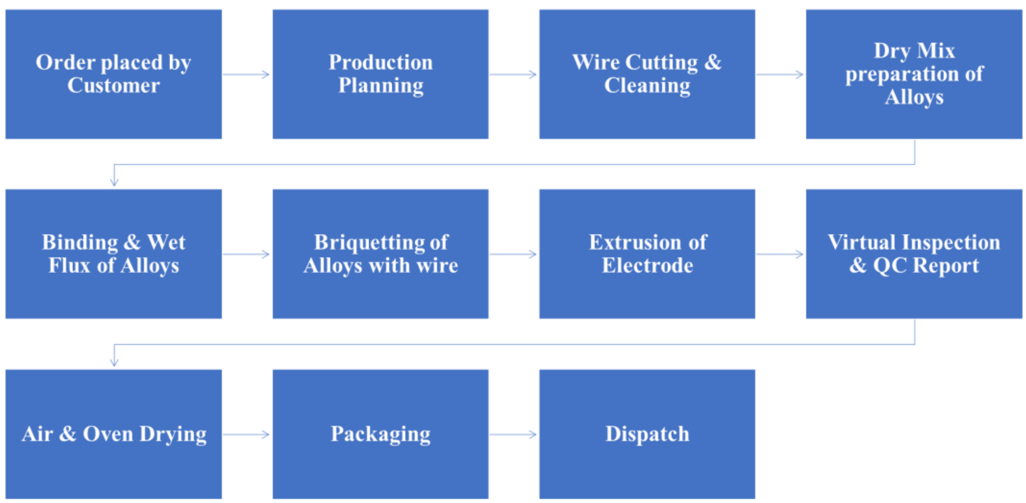
In light of the universal demand for wear and tear solutions in heavy machinery across diverse industries, we are strategically expanding our business horizon beyond our current focus on cement, steel, and power sectors. Our primary objectives include tapping into sectors such as defense and mining, both characterized by the extensive use of heavy equipment.

The defense sector presents a unique challenge with a variety of heavy equipment, each requiring specialized wear solutions. In parallel, the mining industry, known for its abrasive conditions, seamlessly aligns with our expertise, providing an ideal platform for market expansion. As per CRISIL Report, defence production in India totalled Rs 1,269 billion in fiscal 2024, up at a CAGR 8.0% over fiscals 2017-24.

Fostering a culture of innovation, we aim to provide customized solutions that address the evolving demands of heavy engineering equipment across various industries. This includes staying at the forefront of technological advancements and tailoring our offerings to meet sector-specific requirements.

Key Business Process

1. Special purpose electrode



Order placed by customers: The electrode production process commences with receiving orders from customers. These orders contain specific requirements, such as quantity and delivery timeline. The marketing department transfers the order to the production department for further processing.

Production Planning: Upon receiving the order, the production department generates a comprehensive work order. This work order includes all the essential information, such as electrode specifications, raw material requirements, production timelines, and personnel assignments. The production planning team collaborates with various departments to ensure that resources are optimized, production schedules are feasible, and deadlines are realistic.

Wire Cutting & Cleaning: The first step in the actual production process involves cutting the raw electrode wire to the required lengths. This step requires precision to maintain uniformity in the electrode dimensions. After cutting, the wires undergo a thorough cleaning process to eliminate any impurities or contaminants that may compromise the quality of the final product.

Dry Mix Preparation of Alloys: The dry mix preparation is a critical stage where various raw materials precisely blended in predetermined proportions. This dry mix is then finely ground to ensure a homogeneous composition, which significantly influences the electrode's performance and characteristics.

Binding & Wet Flux of Alloys: The dry mix is combined with a suitable binder. The binder acts as a bonding agent, ensuring cohesion during subsequent manufacturing steps.

Briquetting of Alloys with wire: Briquetting process involves pressing wet flux on the cut wires to produce electrodes.

Extrusion of Electrode: Using an extrusion machine, the wet mix is extruded around the electrode wires to form the desired electrode profile. This extrusion step is critical to achieving the precise dimensions and structural integrity of the electrode.

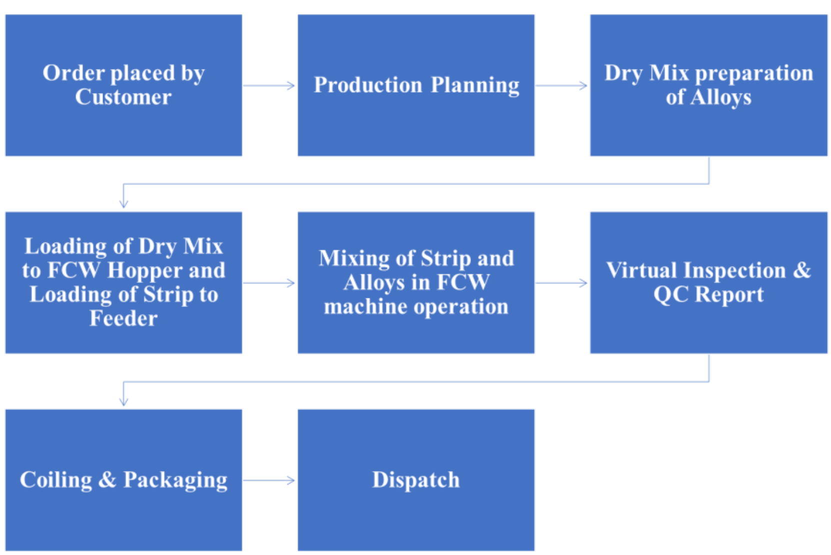
Virtual Inspection & Quality Control: Virtual inspection helps to detect any visible defects or irregularities in the electrodes in the production process, allowing corrective actions to be taken promptly and reducing waste. A random sample from the batch undergoes rigorous testing to verify compliance with specified standards. Quality Control personnel meticulously check for dimensions, mechanical properties, and other performance-related characteristics.

Air Drying: After passing Quality Control, the electrodes undergo air drying to remove excess moisture.

Packaging: After air drying, the electrodes are packed as per the requirement of the customer.

Dispatch: After packaging, the electrodes are ready to dispatch to the customer.

2. Flux Cored Wire



Order placed by customers: The flux cored wire production process commences with the receiving orders from customers. These orders contain specific requirements, such as quantity and delivery timeline. The marketing department transfer the order to the production department for further processing.

Production Planning: Upon receiving the order, the production department generates a comprehensive work order. This work order includes all the essential information, such as flux cored wire specifications, raw material availability, machine capacity and work force allocation to optimize production efficiency. The production planning team collaborates with various departments to ensure that resources are optimized, production schedules are feasible, and deadlines are realistic.

Dry Mix Preparation of Alloys: The dry mix preparation is a critical stage where various raw materials precisely blended in predetermined proportions. This dry mix is then finely ground to ensure a homogeneous composition, which significantly influences the Flux Cored Wire's performance and characteristics.

Loading of FCW hooper: The dry mix is then carefully loaded into the FCW hopper, which feeds the core mix into the wire during the manufacturing process.

Loading of Strip to Feeder: Strips of metal essential for the outer layer of the Flux Cored Wire are loaded into the feeder for seamless integration into the wire.

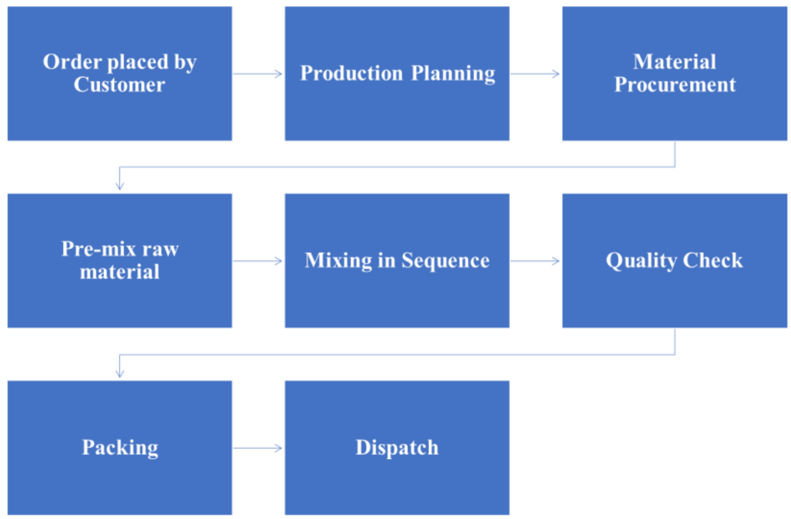
Mixing of Strip and Alloys in FCW machine operation: The FCW manufacturing machine processes the core mix and metal strips, meticulously creating the Flux Cored Wire. Our operators continuously monitor the process to maintain consistency and quality.

Virtual Inspection & Quality Control: Virtual inspection helps to detect any visible defects or irregularities in the electrodes in the production process, allowing corrective actions to be taken promptly and reducing waste. A random sample from the batch undergoes rigorous testing to verify compliance with specified standards. Quality Control personnel meticulously check for dimensions, mechanical properties, and other performance-related characteristics.

Coiling & Packaging: After production of the Flux Cored Wire, it is coiled into spools or reels, and each spool is meticulously packed to protect it during transit..

Dispatch: After packaging, the Flux Cored Wires are ready to dispatch to the customer.

3. Anti wear consumables



Order Placed by Customer: The process begins with receiving orders from customers, specifying the type and quantity of adhesive or sealant required.

Production Planning: The production team creates a plan that outlines the required quantities and the production schedule. This plan takes into account the order quantities, available resources, and production capacity.

Material Procurement: Once the production planning is complete, the procurement team is responsible for sourcing the necessary raw materials. These materials may include polymers, solvents, fillers, curing agents and additives. Quality and consistency in material sourcing are crucial for the end product's performance.

Pre-mix raw material: Raw materials are used in a pre-determined composition as per the formula or recipe for the specific adhesive or sealant being produced. Accurate measurement is critical to achieve the desired product properties and consistency.

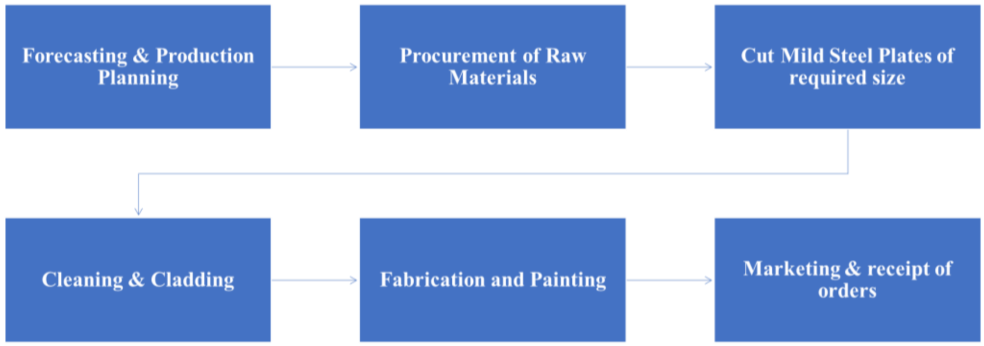
Mixing in Sequence: The pre-determined composition of raw materials are introduced into mixing equipment in a specific sequence. The mixing process can vary depending on the type of adhesive or sealant. It often involves mechanical agitation or heat to ensure proper dispersion and homogenization of all components. The sequence and duration of mixing are essential to achieve the desired product characteristics.

Quality Check: After mixing, samples are taken for quality control. Various tests are performed to check the product's properties, such as viscosity, adhesive strength, curing time, and chemical composition. If the product does not meet the required specifications, adjustments may be made, or the batch may be rejected.

Packing: Once the product passes quality control, it is ready for packaging. Adhesives and sealants can be packaged in various forms, including bottles, cartridges, drums, or other suitable containers. Labels are added, and the product is prepared for dispatch.

Dispatch: The packaged adhesives and sealants are dispatched to customers or distribution centres for further distribution. Proper labelling, documentation, and shipping procedures are followed to ensure the safe and accurate delivery of the products.

4. Wear Plates



Forecasting and Production Planning: The production processes begins with the estimation department, where the department analyze market trends, customer demands, and internal requirements to forecast the volume of wear plates needed. This forecast serves as the foundation for our procurement and production planning activities.

Procurement of Raw Materials: Once the planning is completed, the purchase department sources the required raw materials, primarily Mild Steel plates and other cladding materials, from suppliers. Our emphasis on procuring high-quality materials ensures the excellence of the final wear plates.

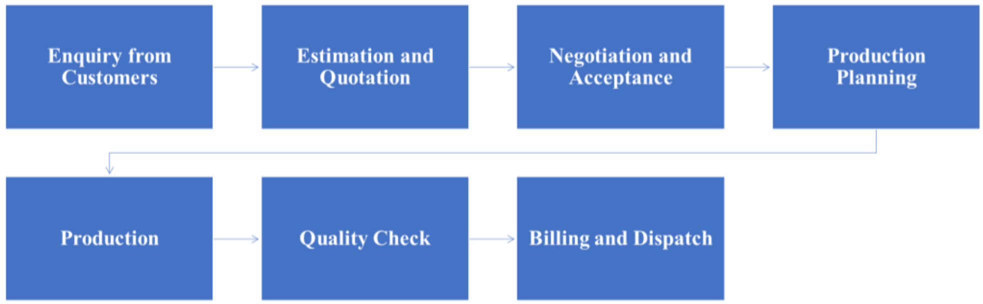
Cut Mild Steel Plates of required sizes: We tailor the wear plates to meet our customer size requirements, catering to their specific needs and applications. The metal steel plates are accurately cut into the desired dimensions, as per the wear plate specifications.

Cleaning and Cladding: The cut mild steel plates undergo thorough cleaning to remove any impurities and ensure a pristine surface for further processing. Cladding is the process of bonding specialized wear-resistant material to the base mild steel plate, is carried out with precision and expertise.

Fabrication and Painting: Fabrication involves shaping and assembling the wear plates to deliver the final product, ready for usage. Painting is a process to enhance the appearance and provide additional protection, wear plates undergo painting using high-quality coatings.

Marketing and receipt of orders: Marketing department is responsible for promoting wear plates and connecting with potential customers. Through effective marketing strategies and exceptional customer service, we establish strong relationships and understand our customers wear plate requirements. Further, we receive customer orders from various industries seeking reliable and robust wear plates.

- **Wear Parts and Heavy Engineering Equipment**



Enquiry from Customers: The process starts with an enquiry from our customer. They provide us with specific details regarding their requirements, such as dimensions, material preferences, and any unique specifications.

Estimation and Quotation: Upon receiving the enquiry, our estimation department analyzes the scope of the project and estimates the expenses involved in manufacturing the equipment. This includes calculating the cost of raw materials, machining, and other production-related factors. Based on the estimation, we prepared a detailed quotation for the customer, outlining the cost breakdown and the proposed timeline for manufacturing the equipment.

Negotiation and Acceptance: We understand that each customer's need may vary, and so we engage in open and constructive negotiations to ensure that the offer aligns with their requirements and budget. Once both parties reach an agreement, and the customer accepts our offer, we move forward to production planning.

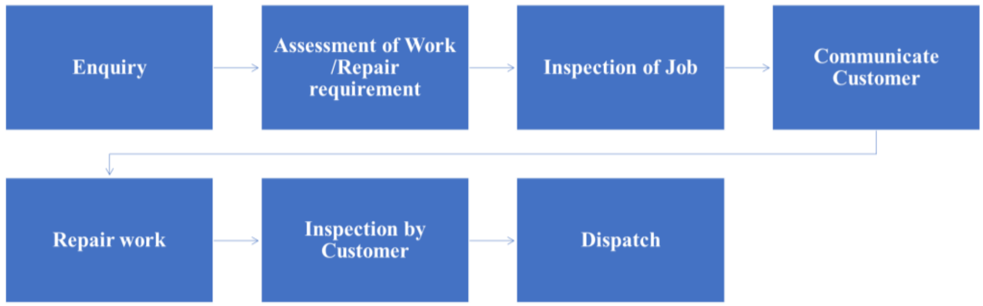
Production Planning: The production team creates a plan that outlines the required raw materials and the production schedule. This plan takes into account the order quantities, available resources, and production capacity.

Production: The production process differs depending upon the equipment and their requirements. It requires skilled craftsmen and precise techniques to meet exact specifications of the equipment.

Quality Check: Quality checks are done throughout the production process. We check for dimensional accuracy, design specification, and overall performance to ensure flawless end products. Once the equipment passes our internal quality check. The customer also visits our unit to inspect the equipment for the quality check before the dispatch.

Billing and Dispatch: Once the quality check is done, they are carefully packaged and dispatched to the customer's location. We prioritize safe and prompt delivery, ensuring that our products reach the customer in pristine condition.

- **Welding Service – Job work**



Enquiry from Customers: The process starts with an enquiry from our customer. They provide us with specific details regarding their requirements, such as dimensions, material preferences, and any unique specifications.

Assessment of Work/ Repair requirement: Upon receiving the enquiry, our skilled welding service team reviews the requirements. We assess the nature of the welding work needed, the extent of repairs required and any specific challenges presented by the project.

Inspection of Job: An on-site inspection is carried out if necessary, especially for larger or complex projects. Based on the inspection we assess the repairs required.

Communicate Customer: After the assessment is complete, we communicate the findings to the customer. We provide a detailed explanation of the required repairs, the welding techniques that will be employed, and the estimated timeline for completing the work.

Repair work: Once the customer approves the repair plan and provides the necessary approvals, our service welding department commences the repairing work. We utilize welding equipment and employ highly skilled welders to ensure the best possible results.

Inspection by Customer: Quality checks are done throughout the production process. We check for dimensional accuracy, design specification, etc. to ensure flawless end products. Once the equipment passes our internal quality check. The customer also visits our unit to inspect the equipment for the quality check before the dispatch.

Dispatch: Once the quality check is done, they are carefully packaged and dispatched to the customer's location. We prioritize safe and prompt delivery, ensuring that our products reach the customer in pristine condition.

Our Units

Set out below are details of our manufacturing units:

Manufacturing Units	Operational from	Address	Products
Unit I	1994	T-5, T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur – 440016 Maharashtra	Special purpose welding electrodes

Unit II	2000	N-78, N-79, Nagpur Industrial Area, MIDC, Hingna, Nagpur – 440016 Maharashtra	Flux cored wire, wear plates and wear part through fabrication and machining
Unit III	2015	T-12, Nagpur Industrial Area, MIDC, Hingna, Nagpur – 440016 Maharashtra	Anti-wear consumables
Unit IV	2016	Khasra No. 35, 36, 38/1, 38/2, 38/3, Khapri (Uma), Nagpur- 441 501, Maharashtra	Flux cored wires, wear plates and heavy engineering machinery

Our Units are supported by necessary infrastructure for storage of raw materials, manufacturing of our products, storage of finished goods, together with a quality control and R&D laboratory.

Capacity and Capacity Utilization

The following table sets forth certain information relating to capacity utilization of our Units calculated on the basis of total installed production capacity and actual production as of/ for the periods indicated below:

Unit I:

Product	Units		Fiscal 2022	Fiscal 2023	Fiscal 2024
Welding Electrodes	Capacity		700 MTA	700 MTA	700 MTA
	Production		638.16 MTA	532.65 MTA	602.26 MTA
	Utilization		91.17%	76.09%	86.04%

As certified by M/s. Sandeep Mashru & Co., Independent Chartered Engineers vide their certificate dated August 21, 2024

Unit II:

Product	Units		Fiscal 2022	Fiscal 2023	Fiscal 2024
Flux cored wire	Capacity		2220 MTA	2220 MTA	2220 MTA
	Production		1324.37 MTA	1508.13 MTA	1593.70 MTA
	Utilization		59.66%	67.93%	71.79%
Wear Plates, Wear Parts, Fabrication and machining	Capacity		3204 MTA	3204 MTA	3204 MTA
	Production		2370.52 MTA	2457.82 MTA	2446.63 MTA
	Utilization		73.99%	76.71%	76.36%

As certified by M/s. Sandeep Mashru & Co., Independent Chartered Engineers vide their certificate dated August 21, 2024

Unit III:

Product	Units		Fiscal 2022	Fiscal 2023	Fiscal 2024
Anti Wear Consumables	Capacity		810 MTA	810 MTA	810 MTA
	Production		17.35 MTA	21.10 MTA	17.18 MTA
	Utilization		2.14%	2.60%	2.12%

As certified by M/s. Sandeep Mashru & Co., Independent Chartered Engineers vide their certificate dated August 21, 2024

Unit IV:

Product	Units		Fiscal 2021-22	Fiscal 2022-23	Fiscal 2024
Heavy Engineering and Wear Plates	Capacity		6000 MTA	9000 MTA	9000 MTA
	Production		6198 MTA	7100 MTA	7573 MTA
	Utilization		103.30%	78.89%	84.14%
Flux cored wire	Capacity		NA	NA	444 MTA
	Production		NA	NA	20 MTA
	Utilization		NA	NA	4.50%

As certified by M/s. Sandeep Mashru & Co., Independent Chartered Engineers vide their certificate dated August 21, 2024

The production of Special Purpose Electrodes as well as utilization have decreased from 638.16 MTA and 91.17% in Fiscal 2022 to 532.65 MTA and 76.09% in Fiscal 2023, respectively as our Company has focused more on production of high-value items, resulting in higher revenue from operations of ₹371.82 million in Fiscal 2022 to ₹529.53 million in Fiscal 2023.

The anti-wear consumable products (i.e., coatings for abrasion and corrosion resistances) are manufactured in Unit III which are specialized items developed in-house, specifically designed to address unique wear and tear issues in industrial equipment. These products complement our existing product range and are used in situations where standard wear-resistant products are ineffective. Consequently, the production capacity and utilization rate of products manufactured from Unit III is low.

The information relating to the installed production capacity of our Units, as included above and elsewhere in this Prospectus are based on various assumptions and estimates that have been considered by the chartered engineer for calculation of our capacity. These assumptions and estimates include the standard capacity calculation practice of the welding and anti-wear consumables, wear plates/wear parts and heavy engineering equipment industry after examining the calculations and explanations provided by us.

Actual production levels and utilization rates may vary from the capacity information of our Units included in this Prospectus and undue reliance should not be placed on such information. See "Risk Factor No. 21– *Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.*" On page 55 of this Prospectus.

Proposed Expansion Plans

To aid our growth efforts and expand our presence in the domestic markets, we propose to (i) set up a new facility at Unit IV, Nagpur, Maharashtra for manufacturing of special purpose electrodes and flux cored wire; and (ii) expand our existing manufacturing facility at Khapri (Uma), Nagpur, Maharashtra. This Proposed New Facility shall be housed in our Company for which purpose we have executed an agreement to acquire leasehold rights in respect of parcel of land bearing Plot Nos. 33-B/1/1/ & 33-B/1/1/Part, MIDC, Hingna, Sonegaon District, Nagpur, Maharashtra admeasuring 6,125 sq. mtrs and 4,725 sq. mtrs., respectively aggregating to 10,850 sq. mtrs together with existing factory building covering a total built-up area of 2180.70 sq. mtrs.

Post completion of our proposed expansion plans, the new unit is expected to have an estimated installed capacity of aggregate of 600 Metric Tons per annum for welding electrodes and one CR Coil Slitting Line of 1200 MTA and is expected to be operational from November 2025 onwards. Similarly post expansion, the expanded Unit including the existing plant capacity will be 4920 Metric Tons / Annum for wear plate, 1080 Metric Tons/ Annum for Flux Cored Wires & 12000 Metric Tons / Annum for heavy Engineering Fabrication and is expected to be operational from November 2025 onwards. Consistent with our past practices, be the capacity of the Proposed Facility will be increased in a phased manner to ensure the optimum utilization. For further information, please see the chapter titled "*Objects of the Issue – Government Approvals*" beginning on page 172 of this Prospectus.

The information on our Proposed Facility is indicative and remain subject to the potential difficulties and uncertainties that construction projects face including cost overruns or delays. We are in the process of obtaining various consents, approvals and acknowledgements from regulatory authorities that are routine in nature in relation to the proposed expansion at the proposed New Facility.

Also see, "Risk Factor No. 6– *If there are delays in setting up the Proposed Facility or Proposed Expansion or if the costs of setting up and the possible time or cost overruns related to the Proposed Facilities or the purchase of plant and machinery for the Proposed Facilities are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.*" On page 41 of this Prospectus.

Procurement of Raw Materials

We procure raw materials from our suppliers based on purchase orders and we do not have any purchase agreements or firm commitments executed with them. We reserve the right to reject defective materials, and any warranty claims accepted by us for defective materials supplied by our suppliers are passed on to such suppliers. We primarily source steel plates, mild steel plates, pipes, stainless steel, iron, iron sheets or strips of steel, nickel etc. to manufacture our products. We source raw materials from our suppliers based on quality specifications and cost effectiveness. Raw materials are primarily transported to our Units and from one unit to another unit by road. For the Fiscals 2024, 2023 and 2022, purchases from our top 10 Suppliers amounted to ₹ 869.11 million, ₹ 719.94 million and ₹ 603.03 million constituting 31.25%, 29.50%, and 30.80%, respectively of our revenues from operations on a standalone basis.

We source raw materials from our suppliers based on quality specifications and cost effectiveness. We currently import some portion of our raw materials from China, United Kingdom, Italy, Singapore, Germany, Switzerland etc. The table below provides the details of raw material cost from domestic and overseas based on restated standalone financials for the periods indicated:

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in million)	**% of total revenue from operations**	**Amount (₹ in million)**	**% of total revenue from operations**	**Amount (₹ in million)**	**% of total revenue from operations**
Domestic raw material cost	1,342.38	52.21%	1,328.56	54.43%	1,122.45	57.34%
Overseas raw material cost	160.54	6.54%	254.23	10.42%	179.59	9.17%
Total	**1502.92**	**58.45%**	**1,582.79**	**64.85%**	**1,302.04**	**66.51%**

Inventory Management

Our inventory is determined based on a combination of confirmed and expected orders based on past trends. We manage our inventory based on various parameters for maintaining minimum and maximum stock levels of raw materials and finished products expect wear parts and heavy engineering equipment as they are tailor made as per the customer requirements. Further, stock is taken physically at defined intervals and our existing stock is reviewed at regular intervals for quality purposes. Our finished products are stored on-site at our manufacturing Units. Our Company also operates one warehouse, taken on leave and license basis, located at X-48, MIDC, Commercial zone, Hingna road, Nagpur. This warehouse is primarily used by our Company for storing the products acquired for trading purposes.

Customer Network and Sales

Our diversified customers varies from established players in the market to leaders as well as small and medium-sized companies in the industry in India and overseas.

We have a direct relationship with the majority of our customers, including overseas customers, with the exception of a few customers we deal with through certain dealers. The table below provides break-up of revenue from distributors and customers on a restated standalone financial statement basis for the periods indicated below:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount in ₹ million	% of revenue from operations	Amount in ₹ million	% of revenue from operations	Amount in ₹ million	% of revenue from operations
Revenue from distributors	284.51	11.06%	307.70	12.61%	253.50	12.95%
Revenue from direct customers	2,286.75	88.94%	2,133.00	87.39%	1,704.08	87.05%

We have do not have long term contracts with our customers. Further, within reasonable limits, we escalate the price of our products based on the input prices and therefore most of the orders we receive are covered by the pass-through provisions for raw material pricing. We also have tie-up with distributors in the domestic and overseas market through whom we undertake some of our sales. Currently, we have tie-up with over 95 distributors in domestic market and 9 distributors in the overseas market. Details of revenues generated, on a standalone basis, from top 10 and top 5 distributors are as follows:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
Top 10	180.07	7.00%	198.11	8.12%	133.03	6.80%
Top 5	120.64	4.69%	136.75	5.60%	84.68	4.33%

Set out below are details of our order entry and actual order, actual revenue for the period indicated:

(₹ in million)

Fiscal	Order Entry	Actual Order	Cancelled Order	Actual Revenue	Pending Execution Order Book
2022	2,813.87	2,704.88	108.99	1,957.58	747.30
2023	3,135.92	3,064.12	71.80	2,440.74	623.38
2024	3,577.13	3,492.46	84.67	2,571.26	921.20

Our top 10 customers contributed 29.43%, 30.95% and 33.27% of our revenue from operations on restated standalone financial statement for the Fiscals 2024, 2023 and 2022.

Details of complaints received and complaints redressed for the period indicated are as follows:

Category of Products	Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Welding and Anti- Wear Consumables	No. of complaints received	5	6	6
	Complaints redressed	5	6	6
	Redressal rate (%)	100	100	100
Wear Plate / Wear Parts	No. of complaints received	8	14	22
	Complaints redressed	8	14	22
	Redressal rate (%)	100	100	100
Heavy Engineering Equipment	No. of complaints received	9	9	8
	Complaints redressed	9	9	8
	Redressal rate (%)	100	100	100
Trading	No. of complaints received	18	22	28
	Complaints redressed	18	22	28
	Redressal rate (%)	100	100	100

Logistics

Roadways and waterways are the modes of transportation used for our raw materials as well as finished products. If urgency warrants we also use airways as a mode of transport. Our suppliers directly deliver our raw materials to our units. We outsource the delivery of our products to third-party logistics providers and rely on freight forwarders to deliver our products from our units to the customers. We do not have long-term contractual relationships with the logistics providers or freight forwarders.

Utilities

Our operations require use of power and water. The power requirements are met through the local power grids maintained by state power grid. We maintain power back-ups through DG Sets to ensure unhindered production in case of power cuts by the local electricity providers. We also have installed PV solar power panel at our Unit II. Water is procured from MIDC for Unit I, II and III. We use ground water at our Unit IV. To minimize the wastage of water as well as to reduce the water procurement cost, we process the water in effluent treatment plant for recycling and reuse it in the manufacturing process Also see “*Our Units*” on page 257 of this Prospectus.

Brand building & Marketing

We have a long-standing in the market which helps us to get repeat orders from our existing customers and also get an opportunity to serve new customers. We sell our products under various brand labels owned by the Company including but not limited to "DIFFUSION", "DIFFCOR", "CORODUR" and "SOP". For further information, see "Government and Other Approvals – Intellectual Property Rights" on page 374 of the Prospectus. With the quality of our products that we offer and maintain, we have been able to uphold relations with our customers since long times and we strive to maintain these relations through our evolving products to meet the requirements of our customers. We maintain a dedicated marketing team, which coordinates corporate-level branding efforts that range from personal meetings with the customers to understanding and designing the products as per the needs of our customers. For further details please see Risk Factor 28 "*We may not be able to adequately protect or continue to use our intellectual property. In addition, the use of our brands or similar trade names by third parties could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows.*" on page 61 of the Prospectus.

Technical Collaborations

Our Company does not have any technical collaboration as on the date of this Prospectus.

Information technology

We believe that an appropriate information technology infrastructure is important to support the growth of our business. We utilize ERP software which support sales, purchase, inventory management and financial reporting across our Units.

Competition

We operate in the welding and anti-wear consumables, wear plates/wear parts and heavy engineering equipment industry which is highly competitive and fragmented and we compete with a range of unorganized players, at the national and regional level. Further, while we have an expanding portfolio of products, our competitors may have the advantage of focusing on concentrated products. Further, we compete against established players also, which may have greater access to financial, technical and marketing resources and expertise available to them than us in the products and services in which we compete against them.

We believe the principal elements of competition in our industry are quality, price, and range of the products offered. Our forty years of presence in the market coupled with the high quality and range of products as well as our product development capabilities, helps us in having a competitive edge in the market. For further information on the competition, we face in the markets in which we operate, please see the chapter titled *"Industry Overview"* beginning on page 196 of this Prospectus.

Quality Control

We place significant emphasis on quality control. Our quality management system with respect to our Units has been certified to conform to ISO 9001:2015, ISO 14001:2015and ISO 45001:2018 requirements, subject to periodic audits conducted by the ISO. We also have a certificate of Accreditation by National Accreditation Board for Testing and Calibration Laboratories – ISO/IEC 17025:2017. As of July 31, 2024, we had 31 employees in the quality control department.

We inspect the raw materials that we receive as well as the final products that are dispatched. We have implemented internal procedures to ensure quality control at various stages of production, from procurement and processing of raw material to inventory storage. There have been no instances of cancellation of products due to quality defects in the last three years. All the units have personnel responsible for monitoring the parameters of equipment, stability of materials, reporting any irregularities in the production process and making corrections accordingly.

Category of Products	Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Welding and Anti- Wear Consumables	No. of Cancelled Orders	110	129	166
	Value of Cancelled Orders (₹ in million)	36.80	32.97	56.57
	No. of Rejected Orders	Nil	Nil	Nil
	Value of Rejected Orders (₹ in million)	Nil	Nil	Nil
Wear Plate / Wear Parts	No. of Cancelled Orders	23	4	6
	Value of Cancelled Orders (₹ in million)	37.65	6.54	5.02
	No. of Rejected Orders	Nil	Nil	Nil
	Value of Rejected Orders (₹ in million)	Nil	Nil	Nil
Heavy Engineering Equipment	No. of Cancelled Orders	6	3	1
	Value of Cancelled Orders (₹ in million)	1.78	15.79	2.39
	No. of Rejected Orders	Nil	Nil	Nil
	Value of Rejected Orders (₹ in million)	Nil	Nil	Nil
Trading	No. of Cancelled Orders	71	70	145
	Value of Cancelled Orders (₹ in million)	8.43	16.50	45.02
	No. of Rejected Orders	Nil	Nil	Nil
	Value of Rejected Orders (₹ in million)	Nil	Nil	Nil

Health and Safety

Our activities are subject to pollution control laws and various regulations which govern, among other matters, the storage and handling of raw materials and finished goods. For further information, please refer to the chapter titled *"Key Industry Regulations and Policies"* beginning on page 271 of this Prospectus. We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations.

We have complied, and will continue to comply, with all applicable laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further information, please see the chapter titled *"Government and Other Approvals"* beginning on page 411 of this Prospectus.

Insurance

We have purchased insurance in order to mitigate the risk of losses from potentially harmful events, including: (i) insurance policy covering fire, damage to buildings, plant and machinery, stocks (raw materials and finished goods); (ii) motor insurance policies covering the vehicles and (iii) policy covering goods in transit. These insurance policies are renewed periodically to ensure that the coverage is adequate. Our insurance covers all of our Units.

Details of losses vis-a-vis insurance cover for the last three years:

(₹ in million)

Sr. No.	Fiscal	Particulars	Sum insurance	Claim amount	Claim received
1.	2021	Electronic Equipment	25.79	0.30	0.21
2.	2021	Vehicle (CG 04 MC 9799)	5.94	0.44	0.42
3.	2021	Vehicle (MH 40 AC 3199)	0.97	0.32	0.27
4.	2021	Vehicle (MH 40 AK 3496)	0.34	0.03	0.01
5.	2022	Marine Open Policy	1,750.00	1.31	0.89
6.	2022	Marine Open Policy	1,750.00	0.50	0.53
7.	2023	Vehicle (CG 04 MC 9799)	4.80	0.32	0.24
8.	2023	Building	704.00	0.25	0.15
9.	2023	Marine Open Policy	2,150.00	2.84	2.30
10.	2024	Building	704.00	2.03	0.38

There have been no instances exceeding liability insurance cover in the past three years. Our total insurance cover for property, plant and equipment (excluding land), and inventory, during the Fiscal 2024, Fiscal 2023 and Fiscal 2022 was ₹1,576 million, ₹1,467 million and ₹1,234 million respectively, which was 115%, 133% and 123%, respectively of our net block of property, plant and equipment (excluding land), and inventory as per restated standalone financial statement. For further information, please see "*Risk Factor No. 49 - We may not have adequate insurance coverage for protecting us against any material hazards.*" on page 73 of this Prospectus.

Employees

As of July 31, 2024, we had an employee base of 418 employees, 180 permanent workers and 56 fixed-term contractual employees. The following table sets forth a breakdown by function:

Function / Department	No of Employees
Senior Management	9
Finance Department (Corporate Functions)	17
Human Resource Department	13
Sales & Marketing Department	151
Purchase & Procurement Department	13
Administration Department	8
Billing and Commercial Department	14
IT Department	5
Maintenance Department	15
Production Department	361
Quality Control Department / R & D	31
Stores Department	17
Total	**654**

Set out below are details of our on-roll employees:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Number of Employees	640	598	564

In addition, for production we have a contract with third- party manpower firms and independent contractors for the supply of contract laborers. As of July 31, 2024 our Company has engaged 564 contract labourers. The number of contract laborers varies from time to time based on the nature and extent of work contracted to third-party manpower firms and independent contractors. Set forth below are the details of statutory dues paid by us in the relevant period, in accordance with statutory law/obligation:

Particulars		Fiscal 2024	Fiscal 2023	Fiscal 2022
Employee provident fund	Statutory dues paid (₹ million)	31.01	27.32	25.25
	Number of employees covered*	611	576	564
Employees' state insurance corporation contribution	Statutory dues paid (₹ million)	2.11	2.20	2.17
	Number of employees covered*	270	295	290
Tax Deducted at Source (on salaries of employees)	Statutory dues paid (₹ in million)	17.66	16.79	12.99
	Number of employees covered^	65	82	52
Tax Deducted at Source on other than salaries	Statutory dues paid (₹ in million)	17.75	12.17	11.90
Professional Tax	Statutory dues paid (₹ in million)	1.52	1.46	1.39
	Number of employees covered*	607	602	558
GST (₹ in million)#		410.14	379.83	321.99

**Average Number of employees are considered*
^As per TDS Form 24Q;
#As per GST challans

Impact of COVID-19:

Due to the nation-wide lockdown imposed by the Government due to the COVID-19 pandemic, our manufacturing operations were temporarily suspended from March 24, 2020 to April 30, 2020 which resulted in a decrease in our revenues and production, as detailed below:

Particulars	April 2020	April 2019	March 2020	March 2019
Revenues from operations	₹17.14 million	₹126.97 million	₹44.31 million	₹226.46 million
Production	9.09 Metric ton	534.19 Metric ton	255.01 Metric ton	708.98 Metric ton

We also incurred expenses in connection with, among other things, retaining employees, fixed costs payable for maintaining our manufacturing plants and loss of inventory. Additionally, we were exposed to disruptions in our business operations. For instance: (a) COVID-19 pandemic temporarily affected our ability to source raw materials from certain vendors who were unable to transport raw materials to us; (b) Our inventory days, which represent the number of days our inventory is held, was 85 days in Fiscal 2021 due to impact of Covid-19 pandemic. However, from Fiscal 2022 onwards, our inventory days have shown a gradual increase i.e. 64 days, 66 days and 67 days for Fiscal 2022, Fiscal 2023 and Fiscal 2024, respectively; (c) The Covid-19 pandemic had also impacted our trade payables days which was 130 days in Fiscal 2021. Subsequently, our trade payables days observed a reduction in days, decreasing from 72 days in Fiscal 2022 to 68 Days in Fiscal 2023 to 68 days for the Fiscal 2024.

Intellectual Property

As of the date of this Prospectus, we have sixty registered trademarks under the Trademarks Act. We have registered the domain name https://www.diffusionengineers.com/.

The name **DIFFUSION** is registered as trademark under the Trademarks Act under class 7.

Our Company has on January 18, 2024 made an application vide no. 6263855 for registration of our logo ‘ ’ under Class 6 with the registrar of trademarks in India under the Trade Marks Act, 1999. These include registrations in respect of certain of our key brands and logos, including, but not limited to “DIFFUSION”, “DIFFCOR”, “CORODUR” and “SOP”. For more information, please refer chapter titled “*Government and other approvals– Intellectual property related approvals*” on page 414 of this Prospectus. Also, see “*Risk Factors no. 31 – While certain of our trademarks used by us for our business are registered, any inability to protect our intellectual property from third party infringement may adversely affect our business and prospects.*” on page 63 of this Prospectus.

As of the date of this Prospectus, our Company has 60 registered trademarks in the name of our Company as mentioned below:

Sr. No	Class of Trademark	Category	Trademark	Trademark Certificate No.	Date of Application	Validity
1	TM Class 6	Word	ABRALOY 300	1045675	16-09-2010	16-09-2030
2	TM Class 6	Word	ABROCAR 60	1055137	16-09-2010	16-09-2030
3	TM Class 6	Word	ABROCAR 184	1045598	16-09-2010	16-09-2030
4	TM Class 6	Word	ABROCAR 68	1054614	16-09-2010	16-09-2030
5	TM Class 6	Word	ARCALOY SUPER	1045809	16-09-2010	16-09-2030
6	TM Class 6	Word	BATRA-I	1050686	16-09-2010	16-09-2030
7	TM Class 6	Word	CACI 540	1050653	16-09-2010	16-09-2030
8	TM Class 6	Word	CORDIFF 53 ARC	1050556	16-09-2010	16-09-2030
9	TM Class 6	Word	CORDIFF 201	1050941	16-09-2010	16-09-2030
10	TM Class 6	Word	CORDIFF 203	1050623	16-09-2010	16-09-2030
11	TM Class 6	Word	CORDIFF 324	1051002	16-09-2010	16-09-2030
12	TM Class 6	Word	CORDIFF 341	1050866	16-09-2010	16-09-2030
13	TM Class 6	Word	CORDIFF 4351 B	1046627	16-09-2010	16-09-2030
14	TM Class 6	Word	CORDIFF 54 NM	1045732	16-09-2010	16-09-2030

15	TM Class 6	Word	CORDIFF 57	1045531	16-09-2010	16-09-2030
16	TM Class 6	Word	CORDIFF 57 BW	1054757	16-09-2010	16-09-2030
17	TM Class 6	Word	CORDIFF 59 L	1050748	16-09-2010	16-09-2030
18	TM Class 6	Word	CORDIFF 65 ZB	1050863	16-09-2010	16-09-2030
19	TM Class 6	Word	CORDIFF 66 W4	1054746	16-09-2010	16-09-2030
20	TM Class 6	Word	CORDIFF 72 ZBC	1050896	16-09-2010	16-09-2030
21	TM Class 6	Word	CORDIFF 270 K	1045695	16-09-2010	16-09-2030
22	TM Class 6	Word	CORDIFF 600 OA	1055082	16-09-2010	16-09-2030
23	TM Class 6	Word	CORDIFF 600 TIC	1054458	16-09-2010	16-09-2030
24	TM Class 6	Word	CORDIFF 760 NB	1054647	16-09-2010	16-09-2030
25	TM Class 6	Word	CORDIFF 801 ER	1054855	16-09-2010	16-09-2030
26	TM Class 6	Word	CORDIFF TT 400	1054374	16-09-2010	16-09-2030
27	TM Class 6	Word	DIFF TILES	1054953	16-09-2010	16-09-2030
28	TM Class 6	Word	DIFFUSALOY 656 CrNi	1051076	16-09-2010	16-09-2030
29	TM Class 6	Word	DIFFUSALOY 817	1054424	16-09-2010	16-09-2030
30	TM Class 6	Word	DIFFUSALOY 925	1050554	16-09-2010	16-09-2030
31	TM Class 6	Word	DIFFUSALOY 4351	1046769	16-09-2010	16-09-2030
32	TM Class 6	Word	DIFFUSALOY 6180	1045873	16-09-2010	16-09-2030
33	TM Class 6	Word	DIFFUSALOY ALBRO	1054612	16-09-2010	16-09-2030
34	TM Class 6	Word	DIFFUSALOY 815 SPECIAL	1046081	16-09-2010	16-09-2030
35	TM Class 6	Word	NODURON 160 N	1045960	16-09-2010	16-09-2030
36	TM Class 6	Word	UNILOY 624	1054837	16-09-2010	16-09-2030
37	TM Class 6	Word	SUPERALOY 1770	1055058	16-09-2010	16-09-2030
38	TM Class 6	Word	FERROCAST 102	2265280	07-10-2017	07-10-2027
39	TM Class 6	Word	DIFFUSALOY 242	1821167	07-10-2017	07-10-2027
40	TM Class 7	Word	SOP	774289	31-05-2007	31-05-2027
41	TM Class 7	Word	DIFFUSALY 310	783374	31-05-2007	31-05-2027

42	TM Class 2	Device	DIFFCOR	1005751	17-06-2010	17-06-2030
43	TM Class 7	Word	CORODUR	774156	31-05-2007	31-05-2027
44	TM Class 7	Word	DIFFUSALOY 155	774155	31-05-2007	31-05-2027
45	TM Class 7	Word	DIFFUSALOY 181	773819	31-05-2007	31-05-2027
46	TM Class 7	Word	DIFFUSALOY 800 ELH	773882	31-05-2007	31-05-2027
47	TM Class 7	Word	DIFFUSALOY 316 L	774151	31-05-2007	31-05-2027
48	TM Class 7	Word	DIFFUSALOY 202	774158	31-05-2007	31-05-2027
49	TM Class 7	Word	DIFFUSALOY 618	774150	31-05-2007	31-05-2027
50	TM Class 7	Word	DIFFUSALOY 309 L	774154	31-05-2007	31-05-2027
51	TM Class 7	Word	DIFFUSALOY 316 L	774151	31-05-2007	31-05-2027
52	TM Class 7	Word	DIFFUSION	774064	31-05-2007	31-05-2027
53	TM Class 2	Device	DIFFGLASS	1007110	17-06-2010	17-06-2030
54	TM Class 9	Word	XALOY-52	163789	09-08-1983	09-08-2034
55	TM Class 9	Word	TUFALOY-320	163787	09-08-1983	09-08-2034
56	TM Class 6	Word	UNILOY 624	1054837	16-09-2010	16-09-2030
57	TM Class 6	Word	HADMOLOY 140	1824161	07-10-2017	07-10-2027
58	TM Class 6	Word	GRELOY-850	1824159	07-10-2017	07-10-2027
59	TM Class 6	Word	CINOD 160	1824158	07-10-2017	07-10-2027
60	TM Class 6	Word	BATRA-II	1205784	16-09-2010	16-09-2030

Material Properties

Our Registered Office is located at T-5, T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur – 440016 Maharashtra. The land parcels on which our three manufacturing units namely, Unit I, II and III in Nagpur, Maharashtra are located, have been taken on lease from MIDC and Unit IV is owned by us. The following table sets forth below the details of units:

Manufacturing Units	Address	Leased/ Owned	Area (approx.)	Lease valid up to
Unit I	T-5, T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur – 440016 Maharashtra	Lease	2,000.00 sq. mtrs.	March 31, 2081 (for T-5) and June 30, 2081 (for T-6)
Unit II	N-78, N-79, Nagpur Industrial Area, MIDC, Hingna, Nagpur – 440016 Maharashtra	Lease	13,068.00 sq. mtrs.	June 30, 2087 (for T-78) and March 31, 2078 (for T-79)
Unit III	T-12, Nagpur Industrial Area, MIDC, Hingna,	Lease	1,000.00 sq. mtrs.	October 31, 2077

	Nagpur – 440016 Maharashtra			
Unit IV	Khasra No. 35, 36, 38/1, 38/2, 38/3, Khapri (Uma), Nagpur- 441 501, Maharashtra	Owned	89,197.84* sq. mtrs.	N.A.
Proposed Facility	Plot No. 33-B/1/1 & 33-B/1/1 Part, MIDC Hingna, Nagpur, Maharashtra	Owned	10,850 sq. mtrs.	N.A.

** The total area stands reduced to the extent of approx. 3191 sq. mtrs pursuant to acquisition of land by National Highway Authority of India for public purpose in 2018.*

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled "Government and Other Approvals" on page 411 Of this Prospectus.

Foreign Trade (Development and Regulation) Act, 1992 (the "Foreign Trade Act")

The Foreign Trade Act, read with the applicable provisions of the Indian Foreign Trade Policy 2023, authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The Central Government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The Foreign Trade Act requires every importer as well as exporter to obtain the Importer Exporter Code Number ("IEC") from the Director-General or the authorized officer. The Director General is authorized to suspend or cancel IEC in case of (i) contravention by any person any of the provisions of the Foreign Trade Act or any rules or orders made thereunder or the foreign trade policy or any other law for the time being in force relating to Central excise or customs or foreign exchange or person has committed any other economic offence under any other law for the time being in force as may be specified by the Central Government or (ii) making an export or import in a manner prejudicial to the trade relations of India with any foreign country or to the interests of other persons engaged in imports or exports or has brought disrepute to the credit or the goods of, or services or technology provided from, the country; or (iii) importing or exporting specified goods or services or technology, in contravention of any provision of the Foreign Trade Act or any rules or orders made thereunder or the foreign trade policy. Where any IEC number granted to a person has been suspended or cancelled, the person shall not be entitled to import or export any goods or services or technology except under a special license, granted by the Director General to that person in a manner and subject to conditions as may be prescribed.

The Customs Act, 1962

All the laws relating to customs are consolidated under the Indian Customs Act, 1962. The provisions relating to appointment of customs ports, airports, warehousing stations are laid down under the Act. There shall be absolute or partial prohibition on import or export of goods by the Central Government for maintenance of security in India. The interest on levy of or exemption of customs duty is laid down under Chapter V of the Act. The clearance of imported goods and export shall not apply to baggage and goods imported or to be exported by post.

Legal Metrology Act, 2009 ("LM Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules")

The Legal Metrology Act replaced 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 standard weights and measures, regulate trade and commerce in weights, measures and other goods which are or distributed by weight, measure or number and for matters connected therewith or incidental thereto.

The LM Act and rules framed thereunder regulate inter alia, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the license under the LM Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the LM Act. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) allowing the companies to nominate a Director who will be held responsible for breach of provisions of the Legal Metrology Act. Any non-compliance or violation of the provisions of the Legal Metrology Act may result in, among others, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Packaged Commodity Rules regulate the pre-packing and the sale of commodities in a packaged form, and provide certain rules to be adhered to by wholesale and retail dealers, the declarations to be made on every package, the manner in which the declarations shall be made, etc. These declarations that are required to be made include, inter alia, the name and address of the manufacturer, the dimensions of the commodity and the weight and measure of the commodity in the manner as set forth in the Packaged Commodity Rules. The Packaged Commodity Rules were amended in the year 2017 to increase protection granted to consumers. Some recent additions include increased visibility of retail price, removal of dual MRP and bringing e-commerce within the ambit of these rules.

Environmental Laws

The Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act was enacted for the prevention, control and abatement of air pollution. The State Government may declare any area as an "air pollution control area" and the previous consent of the SPCB is required for establishing or operating any industrial plant in an area so declared. Further, no person operating any industrial plant in any such area is permitted to discharge any air pollutant in excess of the standard laid down by the SPCB. The persons managing industry are to be penalized if they produce emissions of air pollutants in excess of the standards laid down by the SBCB. The SPCB may also apply to the Court to restrain persons causing air pollution. Whoever contravenes any of the provisions of the Air Act or any order or direction issued is punishable with imprisonment for a term which may extend to 3 months or with a fine of ₹10,000 or with both, and in case of a continuing offence, with an additional fine which may extend to ₹5,000 for every day during which such contravention continues after initial conviction.

The Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act mandates that the previous consent of the SPCB be taken before establishing any industry, operation or process, or any treatment and disposal system or an extension or addition thereto, which is likely to discharge waste or trade effluents into a stream, well, sewer or onto land, bring into use any new or altered outlet for the discharge of sewage, or begin to make any new discharge of sewage. In addition, to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution has been done by the Water (Prevention and Control of Pollution) Cess Act, 1977.

The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 ("MSIHC Rules")

The MSIHC Rules, as amended, stipulate that an occupier in control of an industrial activity has to provide evidence for having identified major accident hazards and having taken adequate steps to prevent such accidents and limiting their consequences to persons and the environment. Further, the occupier has an obligation to show that he has provided necessary information, training and equipment, including antidotes, to the persons working on the site to ensure their safety. They are also under an obligation to notify the concerned authority on the occurrence of a major accident on the site or pipeline within 48 hours of occurrence.

Public Liability Insurance Act, 1991 ("Public Liability Act") and the Public Liability Insurance Rules, 1991 (the "PLI Rules")

The Public Liability Act, as amended, imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such substances. A list of 'hazardous substances' covered by the legislation has been enumerated by the Government by way of a notification under the EPA. The owner or handler is also required to take out an insurance policy that insures against liability under the legislation. The PLI Rules made under the Public Liability Act mandate that the employer has to contribute towards the Environmental Relief Fund a sum equal to the premium payable to the insurer on the policies taken.

Labour law legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws other than state-wise shops and establishments acts, which may be applicable to our Company due to the nature of our business activities:

- Factories Act, 1948;
- The Contract Labour (Regulation and Abolition) Act, 1970;
- Code on Wages, 2019*;
- Code on Social Security, 2020*;
- The Employee's Compensation Act, 1923;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employees' State Insurance Act, 1948;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936;
- The Industrial Disputes Act, 1947;
- Industrial Employment (Standing Orders) Act, 1946;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Equal Remuneration Act, 1976; and
- The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986

**Certain provisions of the Code on Wages and the Code on Social Security have been notified as on date.*

In order to rationalize and reform labour laws in India, the Government of India has notified four labour codes which are yet to come into force as on the date of this Prospectus, namely:

i. The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, Motor Transport Workers Act, 1961 and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979. This code proposes to provide for, among other things, standards for health, safety and working conditions for employees of establishments, and will come into effect on a date to be notified by the Central Government;

ii. The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The Industrial Relations Code, 2020 will come into effect on a date to be notified by the Central Government;

iii. The Code on Wages, 2019 received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the Government of India brought into force certain sections of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976; and

iv. The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020. Through its notification dated April 30, 2021, the Government of India brought into force section 142 of the Code on Social Security, 2020. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India. It proposes to subsume several separate legislations including the Employee’s Compensation Act, 1923, the Employees’ State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Maternity Benefit Act, 1961, and the Payment of Gratuity Act, 1972.

Intellectual Property Laws

Trade Marks Act, 1999 (the “Trademarks Act”)

The Trademarks Act governs the statutory protection of trademarks and prohibits any registration of deceptively similar trademarks, among others. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trade mark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration are required to be restored. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010 ("**Trademark Amendment Act**") simultaneous protection of trademarks in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark Amendment Act also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law to international practice.

Tax Laws

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every domestic or foreign company whose income is taxable under the provisions of this Act or rules made under it depending upon its "*Residential Status*" and "*Type of Income*" involved. Under section 139(1) every Company is required to file its income tax return for every previous year by October 31 of the assessment year. Other compliances like those relating to tax deduction at source, fringe benefit tax, advance tax, and minimum alternative tax and the like are also required to be complied with by every company.

Goods and Service Tax ("GST")

GST is an indirect tax applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. The GST is levied as Dual GST separately but concurrently by the Union (central tax CGST) and the States (including Union Territories with legislatures) (State tax SGST) / Union territories without legislatures (Union territory tax- UTGST). The Parliament has exclusive power to levy GST (integrated tax IGST) on inter-State trade or commerce (including imports) in goods or services. It was introduced as The Constitution (One Hundred and First Amendment) Act, 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India.

Central Goods and Services Tax Act, 2017 ("CGST Act")

CGST Act regulates the levy and collection of tax on the intra-State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs.

Maharashtra Goods and Services Tax Act, 2017 ("GGST Act")

The Maharashtra Goods and Services Tax Act, 2017 regulates the levy and collection of tax on the supply of goods and services within the state by the state government. The MGST Act covers all the transaction occurring within the geographical boundaries of Maharashtra. The MGST mandates every supplier providing the goods and services to be registered within the state, within 30 days from which it becomes liable for such registration.

The Integrated Goods and Services Tax Act, 2017 ("IGST Act")

The IGST Act regulates the levy and collection of tax on the inter-State supply of goods and services by the Central Government or State Governments. It also includes the import and export of goods and services. The IGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated under the provisions of the Companies Act, 1956 with the name "Diffusion Engineers Private Limited" pursuant to certificate of incorporation dated November 05, 1982 issued by Registrar of Companies, at Maharashtra. Further, pursuant to resolutions passed by our Board of Directors at its meeting held on May 06, 1995 and by our Shareholders at the extra-ordinary general meeting held on May 17, 1995 our Company was converted into a public limited company. Consequently, our name was changed to "Diffusion Engineers Limited" and a fresh Certificate of Incorporation dated July 03, 1995, was been issued by the Registrar of Companies, Karnataka at Bangalore.

Changes in the Registered Office of our Company since incorporation

The details of changes in the registered office of our Company since the date of its incorporation are as follows:

Date of Resolution	Details of the address of Registered Office	Reason
August 12, 1983	The registered office of our Company was shifted from G-22, Bombay Market, Tardeo, Mumbai – 400034, Maharashtra, India to 318, Bombay Market, Tardeo, Mumbai – 400034, Maharashtra, India.	For operational efficiency
February 01, 1984	The registered office of our Company was shifted from 318, Bombay Market, Tardeo, Mumbai – 400034, Maharashtra, India to 02, Pooja Apartments, 11-A Perry Cross Road, Bandra (West), Mumbai – 400050, Maharashtra, India with effect from April 01, 1984.	For operational efficiency
August 06, 1985	The registered office of our Company was shifted from 02, Pooja Apartments, 11-A Perry Cross Road, Bandra (West), Mumbai – 400050, Maharashtra, India to Gresham Assurance House, 1(12) 3rd Floor, Sir P.M. Road, Mumbai – 400001, Maharashtra, India with effect from August 23, 1985.	For operational efficiency
July 23, 1985	The registered office of our Company was shifted from Gresham Assurance House, 1(12) 3rd Floor, Sir P.M. Road, Mumbai – 400001, Maharashtra, India to Vimala Building, 5, Residency Road, Bangalore – 560025, Karnataka, India.	For administrative convenience
April 26, 1988	The registered office of our Company was shifted from Vimala Building, 5, Residency Road, Bangalore – 560025, Karnataka, India to 35/4-2, & 3 Bannerghatta Road, Bangalore – 560030, Karnataka, India.	For administrative convenience
May 20, 1999	The registered office of our Company was shifted from 35/4-2, & 3 Bannerghatta Road, Bangalore – 560030, Karnataka, India to 56, S. B. Colony Arkare Gate, Bannerghatta Road, Bangalore – 560030, Karnataka, India	For administrative convenience

Date of Resolution	Details of the address of Registered Office	Reason
May 20, 1999	The registered office of our Company was shifted from 56, S. B. Colony Arkare Gate, Bannerghatta Road, Bangalore – 560030, Karnataka, India to T-5 & T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440016 Maharashtra.	For operational efficiency

The registered office of our Company is currently situated at T-5 & T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440016 Maharashtra.

Key events and milestones

The table below sets forth certain major events in the history of our Company:

Year	Key Events/ Milestone/ Achievements
1982	Incorporated as a Private Limited Company
1993	Commenced manufacturing of welding electrodes
1994	Acquired land (in part) for our manufacturing facility at Unit I
1995	Converted from Private Limited Company to Public Limited Company
1995	Acquired land (in part) for manufacturing facility at Unit I
1995	Acquired a subsidiary company, Diffusion Super Conditioning Services Private Limited
1997	Commencement of production of flux cored wires and wear plates
2000	Acquired land (N-78) for manufacturing facility at Unit II
2006	Acquired land (N-79) for manufacturing facility at Unit II
2011	Acquired land (Khasra no. 35 and 36) for our manufacturing facility at Unit IV
2012	Acquired land (Khasra no. 38/1, 38/2 and 38/3) for our manufacturing facility at Unit IV
2012	Established our subsidiary company, Diffusion Hernon Adhesive and Sealant Private Limited
2012	Invested in our overseas joint venture company, LSN Diffusion Limited (United Kingdom)
2013	Established our subsidiary company in Singapore, Diffusion Engineers Singapore Pte Ltd.
2013	Invested in an associate of our subsidiary in Singapore, Mecdiff Sdn Bhd (Malaysia)
2014	Established a step-down subsidiary company of our Singapore Subsidiary in Philippines, Diffusion Wear Solutions Philippines Inc.
2015	Acquired land for manufacturing facility at Unit III
2016	Set up and commenced operations at Unit IV
2017	Crossed turnover of ₹1,000.00 million
2019	Crossed turnover of ₹1,500.00 million
2022	Undertook expansion of manufacturing facility at Unit IV
2023	Crossed turnover of ₹ 2,000.00 million
2024	Acquired leasehold land (Plot Nos. 33-B/1/1/ & 33-B/1/1/Part, MIDC, Hingna, Sonegaon District, Nagpur, Maharashtra) for the Proposed Facility.

Key awards, accreditations & recognitions

Set forth below are some of the key awards, accreditations and recognitions received by our Company:

Year	Particulars
2019	Best Employer Brands by Employer Branding Institution
	Vidharbha Udyog Gaurav Awards for outstanding contribution to industrial development of Vidharbha.
	India SME 100 Award
	Brand Leadership Award by World Marketing Congress
2020	ET Industry Leaders – MSME 2020 has felicitated us for exemplary contribution being a MSME for Industrial Engineering
2021	National Accreditation Board for Testing and Calibration Laboratories accredited our factory at T-5 and T-6 with ISO/IEC 17025:2017 certificate for General Requirements for the Competence of Testing & Calibration Laboratories
2022	Great Place to Work Certification
2023	Great Place to Work Certification
	National Accreditation Board for Testing and Calibration Laboratories accredited our factory at T-5 and T-6 with ISO/IEC 17025:2017 certificate for General Requirements for the Competence of Testing & Calibration Laboratories

Main objects of our Company

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

(a) To carry on the business of Manufacturers, dealers, marketers, importers and exporters of Welding Electrodes, Flux coated and bare Gas Welding Rods, Powders, Fluxes, Pastes, Welding Wires (flux – cored and solid), Water resistant Plates, Polymer Epoxy Resins of engineering and other grades.

(b) To carry on the business of Manufacturers, dealers, marketers, importers and exporters of Welding Equipment of all kinds, including Electro-slag Welding Machines, Wire Feeders, transformers, Generators, Converters and spares.

(c) To carry on the business of Manufacturers, dealers, marketers, importers and exporters of coated Wear Resistant Parts for original equipment's in all major industries such as Power, Cement, Chemical and Fertilizer, Paper, Mining Transport of all kinds, Atomic Power and engineering industries.

(d) To carry on the business of Manufacturers, dealers, marketers, importers and exporters of Equipment and spares of Waste Disposal by Incineration an other methods used by Hospitals, Nursing Homes, pathological Laboratories, Pharmaceutical manufacturers, Municipal Corporations, Hotels, Restaurants, and others.

(e) To carry on the business of importers, exporters, distributors, stockists selling agents, traders, dealers and suppliers of engineering finished and intermediary products.

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out and proposed to be carried out by it.

Amendments to our Memorandum of Association in the last ten years

Except as stated below, there has been no change in the Memorandum of Association of our Company, in the last ten years:

Sr. No.	Date of Shareholders' Resolution	Details of Amendment
1.	February 21, 2020	The set of existing Memorandum of Association of the Company was substituted with a new set of Memorandum of Association in order to align it with the provisions of Companies Act without any change in the name, registered office, object or liability clause of the Company.
2.	September 25, 2023	Clause V was amended to reflect the increase in authorized share capital of our Company. The authorized share capital of our Company was increased from ₹ 50,000,000/- comprising of 5,000,000 Equity Shares of ₹10/- each to ₹150,000,000/- comprising of 15,000,000 Equity Shares of ₹10/- each.
3.	November 18, 2023	Clause V was amended to reflect the increase in authorized share capital of our Company. The authorized share capital of our Company was increased from ₹150,000,000/- comprising of 15,000,000 Equity Shares of ₹10/- each to ₹400,000,000/- comprising of 40,000,000 Equity Shares of ₹10/- each.

Details regarding material acquisitions or divestment of business/ undertakings, mergers, amalgamation, any revaluation of assets etc. in last ten years

There have been no mergers, amalgamation, revaluation of assets etc. with respect to our Company in the last 10 years.

Defaults or rescheduling/restructuring of borrowing with financial institutions/ banks

There have been no instances of defaults or rescheduling/restructuring of borrowings with any financial institutions/ banks as on the date of the Prospectus.

Number of shareholders of our Company

Our Company has 42 equity shareholders as on the date of filing of this Prospectus.

Shareholders' agreement and other agreements

Our Company has not entered into any shareholders' agreements and other agreements, other than the agreements entered into by it in ordinary course of its business as on the date of this Prospectus.

There are no inter-se agreements/ arrangements to which the Company or any of its Promoters or shareholders are a party to and therefore, clauses/ covenants which are material and which need to be disclosed and that there are no other clauses / covenants in the inter-se agreements or arrangements or the Articles of Association which are adverse/ pre-judicial to the interest of the minority/ public shareholders.

No Directors, KMPs or SMPs of our Company are appointed pursuant any inter-se agreement/agreement to which our Company or any of its Promoters or Shareholders are a party to.

There are no special rights available to the Promoters and / or other shareholders vis-à-vis the Company.

Capacity/facility creation, location of plants

For details regarding capacity/facility creation and location of plants of our Company and its Subsidiaries, see "*Our Business*" beginning on page 232.

Non-Compete agreement

Except as disclosed in this Prospectus, our Company has not entered into any non-compete agreement.

Details of holding company

As on the date of this Prospectus, our Company does not have any holding company.

Material Agreements with strategic partners, joint venture partners and/ or financial partners and other agreements

Except as disclosed below, there are no existing material agreements with strategic partner and/or financial partners or other material agreements entered into by our Company, as on the date of this Prospectus.

1. Shareholders Agreement dated November 02, 2012 ("SHA") executed by and amongst our Company, LSN Diffusion Limited, Stephen W. Harrison, David Roberts (as the nominee of John Sharples) Vivian Jones, Norman John Allnatt, Sean J Moran (Pension SIPP), Sean J Moran, Ian Morgan, Laurence Griffiths, Joao Da Mata, R Mark Phillips, Zulfiya Redzhepovna Tadzheva, Benjamin James Griffiths Rhodri John, Ryan Perrott, Vincent Kettner, Philip John Allnatt SIPP, Malaurie Orin, Paul Evans, Paul Cory, Sally Park, Joao Da Mata (Pension SIPP) ("collectively / Shareholders"),

   Our Company has entered into a SHA dated November 02, 2012 with the aforementioned Shareholders and LSN Diffusion. Pursuant to this SHA, the aforesaid Shareholders have agreed to subscribe to the shares of LSN Diffusion Limited.

   For this purpose, the shareholders have set up the terms and conditions governing and regulating their relationship as well as their mutual rights, duties, responsibilities and obligations as shareholders of LSN Diffusion Limited by way of the SHA. Under the terms of the SHA, the shareholders have been granted certain rights including certain customary rights to protect their interest in LSN Diffusion Ltd. which inter alia include (i) Management rights; (ii) Board representation; (iii) Pre-emptive rights; (iv) Transfer of shares, (v) Tag Along Rights and (vi) Non-compete qua the shareholders.

Associate and Joint Ventures of our Company

Except as disclosed below, our Company does not have any associate and joint ventures:

<u>LSN Diffusion Limited</u>

Corporate Information

LSN Diffusion Limited (**"LSN Diffusion"**) was incorporated on August 31, 2012, as a company under the provisions of the Companies Act, 2006. Its registered office is situated at Unit A & B, Cilyrychen Industrial Estate, Llandybie, Ammanford, SA18 3GY. The Registration Number is 08198122.

Nature of Business

LSN Diffusion is authorized to engage in the business of business of production of non-ferrous metal products.

Capital Structure

The capital of LSN Diffusion is 3,500,000 Ordinary A shares & 1 Ordinary £1 share.

Shareholding Pattern

The shareholding pattern of LSN Diffusion as on the date of this Prospectus is set out below:

Sr. No.	Name of the Shareholder	Capital contribution
1.	Norman John Allnatt	1 Ordinary £1 Share

Sr. No.	Name of the Shareholders	Capital contribution of £1
1.	Norman John Allnatt	892,144 Ordinary A shares
2.	Philip John Allnatt	76,711 Ordinary A shares
3.	Trustees of ALLTRUST SIPP – J D Mata (ISS0617)	37,061 Ordinary A shares
4.	Trustees of ALLTRUST SIPP – P J Allnatt (ISS0607)	25,000 Ordinary A shares
5.	Trustees of ALLTRUST SIPP – S J Moran (ISS0556)	90,000 Ordinary A shares
6.	Sabrina Bianchi	19,000 Ordinary A shares
7.	Paul Robert Corry	10,000 Ordinary A shares
8.	Diffusion Engineers Limited	754,500 Ordinary A shares
9.	Benjamin James Griffiths	33,000 Ordinary A shares
10.	Laurence James Griffiths	55,000 Ordinary A shares
11.	Stephen William Harrison	608,592 Ordinary A shares
12.	David Hunter	100,000 Ordinary A shares
13.	Rhodri Allan John	33,000 Ordinary A shares
14.	Vivian Jones	300,000 Ordinary A shares
15.	Zulfiya Tadzheva Leven	50,000 Ordinary A shares
16.	Joao Pedro Castelo Mata	62,992 Ordinary A shares
17.	Sean Jeremiah Moran	10,000 Ordinary A shares
18.	Ian David Morgan	75,000 Ordinary A shares
19.	Sally Anne Park	10,000 Ordinary A shares
20.	Richard Mark Phillips	58,000 Ordinary A shares
21.	Thomas Weber	200,000 Ordinary A shares
	Total	**3,500,000 Ordinary A shares**

Total Accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of LSN Diffusion have not been accounted for by our Company.

<u>Mecdiff Sdn Bhd</u>

Corporate Information

Mecdiff Sdn Bhd (**"Mecdiff"**) was incorporated on December 17, 2013, as a company under the provisions of the Companies Act, 2016. Its registered office is situated at 16-2-1, Jalan Puteri ¼, Bandar Puteri, Puchong, 47100, Selangor and its business office is situated at No. 24 Jalan Tiara Sentral 1 Tiara Sentral at Nilai Utama Enterprise Park Nilai Negeri Sembilan, 71800. The Registration Number is 201301044536.

Nature of Business

Mecdiff is authorized to engage in the business of business of manufacturing, distributing and exporting wear resistant plates.

Capital Structure

The capital of Mecdiff is 1,000,000 shares of One Ringgit each.

Shareholding Pattern

The shareholding pattern of Mecdiff as on the date of this Prospectus is set out below:

Sr. No.	**Name of the Shareholders**	**Capital contribution (RM1.00 per share)**
1.	Palaniappan A/L Devy Ramasamy	350,000
2.	Manoharan A/L Subramaniam	350,000
3.	Diffusion Engineers Singapore Pte. Ltd	300,000
	Total	**1,000,000**

Total Accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of Mecdiff have not been accounted for by our Company.

Subsidiary of our Company

For details with respect to our Subsidiaries, please see *"Our Subsidiaries"* on page 284.

Common Pursuits

As on the date of this Prospectus, our Subsidiaries, Associates and Joint Venture have common pursuits with our Company and are authorized to engage in similar business to that of our Company. Our Company will adopt the necessary procedure and practices as permitted by law to address any conflict situation, if and when they arise.

Time and cost overruns in setting-up projects

There have been no instances of time and cost over-runs in respect of our business operations.

Launch of key products or services, entry in new geographies or exit from existing markets

For details of launch of key products or services, entry in new geographies or exit from existing markets, please refer to the chapter *"Our Business"* on page 232 of this Prospectus.

Lock-out or strikes

There have been no lock-outs or strikes in our Company since inception.

Guarantees provided by our Promoters

Except as disclosed in the chapter titled *"Financial Indebtedness"* on page 399 of this Prospectus our Promoters have not given any guarantees to third parties that are outstanding as on the date of filing of this Prospectus.

Agreements with Key Managerial Personnel or Senior Management or Directors or Promoter or any other employee

As on the date of the Prospectus, there are no agreements entered into by our Key Managerial Personnel or Senior Management or Directors or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

OUR SUBSIDIARIES

As on the date of this Prospectus, our Company has 3 (three) domestic and 3 (three) overseas Subsidiaries.

1. Diffusion Super Conditioning Services Private Limited ("DSCS")

Corporate Information

DSCS is a private limited company incorporated on January 10, 1990 with the Registrar of Company at Karnataka, Bangalore. CIN of DSCS is U51503MH1990PTC124545. The registered office of DSCS was shifted from Karnataka to T-5/T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur – 440016 Maharashtra, India vide order dated November 11, 1999 issued by Registrar of Companies, Mumbai at Maharashtra.

Nature of Business

DSCS is engaged in the business of dealing in purchase and sale of welding consumables such as rods, electrodes, powders, pastes, compounds welding and metal spraying equipment. Taking up service contracts for various repairs/reclamation and super conditioning of parts and equipments in all types of industries using special welding process and equipments both locally made and imported. Taking up representation of overseas principals in India.

Capital Structure

As on the date of this Prospectus, the authorized share capital of DSCS is ₹ 500,000 divided into 5,000 shares with a face value of ₹100/- each.

DSCS has issued, subscribed and paid-up share capital of ₹380,000 divided into 3,800 shares of ₹100 each.

Shareholding of DSCS

Sr. No.	Name of the Shareholders	No. of Equity Shares of ₹100 each	Percentage of issued Capital (%)
1.	Diffusion Engineers Limited	3,760	98.95
2.	Chitra Garg	20	0.53
3	Saraswati Gopalkrishnan	20	0.53
	Total	**3,800**	**100.00**

Amount of accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of DSCS that have not been accounted for by our Company.

Brief financial information:

(Figures in ₹ million except EPS & NAV)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Equity Share capital	0.38	0.38	0.38
Reserves (excluding revaluation reserve)	10.14	7.44	6.80
Sales	96.90	52.54	13.99
Profit after tax	2.46	0.64	0.22

Earnings per share (basic) (EPS)	648.16	167.52	56.93
Earnings per share (diluted) (EPS)	648.16	167.52	56.93
Net asset value (NAV)	2,768.68	2,056.84	1,889.21

The audited financial statements for Fiscals 2024, 2023 and 2022 for our material subsidiary, if any, are available at https://www.diffusionengineers.com/investors-relation.

2. Diffusion Hernon Adhesive and Sealant Private Limited ("DHAS")

Corporate Information

DHAS is a private limited company incorporated on August 02, 2012 with the Registrar of Companies Maharashtra at Mumbai. CIN of DHAS is U24297MH2012PTC234063. The registered office of DHAS is situated at T-5/T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440016 Maharashtra, India.

Nature of Business

DHAS is engaged in the business of designing, manufacturing, marketing & distribution of products of high performance industrial adhesive and sealant along with its dispensing equipment to be used for industrial sector such as automotive, electrical, electronics, communication, aerospace, appliances, military ammunition, power generation and transportation.

Capital Structure

As on the date of this Prospectus, the authorized share capital of DHAS is ₹5,000,000 divided into 500,000 shares with a face value of ₹10/- each.

DHAS has issued, subscribed and paid-up shares of ₹1,000,000 divided into 100,000 shares of ₹10/- each.

Shareholding of DHAS

Sr. No.	Name of the Shareholders	No. of Equity Shares of ₹10 each	Percentage of issued Capital (%)
1.	Diffusion Engineers Limited	95,000	95.00
2.	Hernon Manufacturing Inc	5,000	5.00
	Total	**100,000**	**100.00**

Amount of accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of DHAS that have not been accounted for by our Company.

Brief financial information:

(Figures in ₹ million except EPS & NAV)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Equity Share capital	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	1.22	1.16	0.96
Sales	1.55	2.02	1.90

Profit after tax	0.04	0.20	0.33
Earnings per share (basic) (EPS)	0.47	1.96	3.28
Earnings per share (diluted) (EPS)	0.47	1.96	3.28
Net asset value (NAV)	22.24	21.58	19.61

The audited financial statements for Fiscals 2024, 2023 and 2022 for our material subsidiary, if any, are available at https://www.diffusionengineers.com/investors-relation.

3. Nowelco Industries Private Limited ("NIPL")

Corporate Information

NIPL is a private limited company incorporated on January 22, 1999 and is currently registered with the Registrar of Companies, Chhattisgarh at Bilaspur. CIN of NIPL is U29309CT1999PTC013276. The registered office of NIPL is situated at TF-32, Third Floor Millenium Plaza Opposite Indian Coffee House G.E. Road, Raipur, Chhattisgarh, India, 492004.

Nature of Business

NIPL is engaged in the business to carry on the business of manufacturing, exporting or otherwise deal in welding electrodes, welding machines and other welding materials suitable for industries, trade, scientific electronics, domestic and other applications and usage of various sizes, qualities, descriptions and kinds. It is also authorized to carry on the business as manufacturers, dealers, stockists, exporters and importers of wire nails, rivets, hings, nuts and bolts and all other hardware items of all types and descriptions. It is also authorized to carry on the business as manufacturers, dealers, stockists, exporters and importers of straw boards, straw products of all types and description.

Capital Structure

As on the date of this Prospectus, the authorized share capital of NIPL is ₹15,000,000 divided into 1,500,000 shares with a face value of ₹10/- each.

NIPL has issued, subscribed and paid-up shares of ₹12,455,500 divided into 1,245,550 shares of ₹10/- each.

Shareholding of NIPL

Sr. No.	Name of the Shareholders	No. of Equity Shares of ₹10 each	Percentage of issued Capital (%)
1.	Diffusion Engineers Limited	685,510	55.04
2.	Diffusion Super Conditioning Solution Private Limited	150,000	12.04
3.	Prashant Garg	139,400	11.19
4.	Dr. Nitin Garg	125,400	10.07
5.	Marion Bush	90,800	7.29
6.	N. K. Garg HUF	25,200	2.02
7.	Chitra Garg	14,040	1.13
8.	Dr. Nitin Garg and Dr. Renuka Garg	11,400	0.92
9.	Anup Chatterjee	3,800	0.31

	Total	**1,245,550**	**100.00**

Amount of accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of NIPL that have not been accounted for by our Company.

Brief financial information:

(Figures in ₹ million except EPS & NAV)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Equity Share capital	12.46	12.46	12.46
Reserves (excluding revaluation reserve)	-3.88	-8.17	-7.57
Sales	207.44	112.95	85.01
Profit after tax	4.29	-0.60	0.59
Earnings per share (basic) (EPS)	3.44	-0.48	0.47
Earnings per share (diluted) (EPS)	3.44	-0.48	0.47
Net asset value (NAV)	6.88	3.44	3.92

The audited financial statements for Fiscals 2024, 2023 and 2022 for our material subsidiary, if any, are available at https://www.diffusionengineers.com/investors-relation.

4. Diffusion Engineers Singapore Pte Ltd ("DES")

Corporate Information

DES is a company incorporated on November 26, 2013 under the laws of Singapore and registered with the Registrar of Companies & Businesses, Singapore under registration number 201331882E. The registered office of DES is situated at 30 Cecil Street, #19-08, Prudential Tower, Singapore 049712.

Nature of Business

DES is engaged in the business to carry on, undertake, take part or engage in any business or activity, matter or thing of any kind whatsoever, and do any act or enter into any transaction without any restriction or limitation as to the nature or description thereof.

Capital Structure

As on the date of this Red Herring Prospectus, the authorized share capital of DES is SGD 1000/- divided into 1000 shares with a face value of SGD 1/- each and USD 249,217/- divided into 249,217 shares with a face value of USD 1/- each.

DES has issued, subscribed and paid-up shares of SGD 1,000 divided into 1,000 shares of SGD 1/- each and USD 249,217/- divided into 249,217 shares with a face value of USD 1/- each.

Shareholding of DES

Sr. No.	Name of the Shareholders	No. of Equity Shares of SGD 1 each	Percentage of issued Capital (%)
1.	Diffusion Engineers Limited	1,000	100.00
	Total	**1,000**	**100.00**

Sr. No.	Name of the Shareholders	No. of Equity Shares of USD 1 each	Percentage of issued Capital (%)
1.	Diffusion Engineers Limited	249,217	100.00
	Total	**249,217**	**100.00**

Amount of accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of DES that have not been accounted for by our Company.

Brief financial information:

(Figures in ₹ million except EPS & NAV)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Equity Share capital	20.84	20.54	18.98
Reserves (excluding revaluation reserve)	1.13	6.11	7.06
Sales	36.39	62.67	45.65
Profit after tax	-5.03	-1.50	1.50
Earnings per share (basic) (EPS)	-20.12	-6.01	5.99
Earnings per share (diluted) (EPS)	-20.12	-6.01	5.99
Net asset value (NAV)	87.81	106.52	104.07

The audited financial statements for Fiscals 2024, 2023 and 2022 for our material subsidiary, if any, are available at https://www.diffusionengineers.com/investors-relation.

5. **Diffusion Wear Solutions Philippines Inc**. ("**DWSP**")

Corporate Information

DWSP is a company incorporated in Philippines as a subsidiary of DES on February 07, 2014 registered with the Securities and Exchange Commission of the Republic of the Philippines under registration number CS201402095. The registered office of DWSP is situated at New Site Street, San Gabriel, Sta. Maria, Bulacan 3022, Philippines.

Nature of Business

DWSP is engaged in the business to manufacture, distribute, import and export, metallurgical and solutions products for "super conditioning".

Capital Structure

As on the date of this Prospectus, the authorized share capital of DWSP is PHP 10,000,000 divided into 10,000,000 shares with a face value of PHP 1/- each.

DWSP has issued, subscribed and paid-up shares of PHP 9,000,000 divided into 9,000,000 shares of PHP1/- each.

Shareholding of DWSP

Sr. No.	Name of the Shareholders	No. of Equity Shares of PHP 1 each	Percentage of issued Capital (%)
1.	Diffusion Engineers Singapore Pte. Ltd	8,999,989	99.99
2.	Prashant Garg	5	0.00
3.	Narendra Kumar Garg	5	0.00
4.	Melvelyn Barrozo	1	0.00
	Total	**9,000,000**	**100.00**

Amount of accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of DWSP that have not been accounted for by our Company.

Brief financial information:

(Figures in ₹ million except EPS & NAV)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Equity Share capital	13.35	13.63	13.20
Reserves (excluding revaluation reserve)	98.80	40.76	16.69
Sales	200.13	80.96	38.61
Profit after tax	59.91	23.55	1.12
Earnings per share (basic) (EPS)	6.66	2.62	0.12
Earnings per share (diluted) (EPS)	6.66	2.62	0.12
Net asset value (NAV)	12.46	6.04	3.32

The audited financial statements for Fiscals 2024, 2023 and 2022 for our material subsidiary, if any, are available at https://www.diffusionengineers.com/investors-relation.

6. **Diffusion Eurasia Mühendislik Sanayi Ve Ticaret Anonim Şirketi** (“**DEMSTAS**”)

Corporate Information

DEMSTAS is a company incorporated in Turkey as a subsidiary of our Company on February 16, 2024 registered with the IZMIR Trade Registry Office under Trade Registry number 253826. The registered office of DEMSTAS is situated at Adalet Mah. Anadolu Cad. Megapol Tower No: 41 İç Kapı No: 101 Bayraklı/İzmir.

Nature of Business

DEMSTAS is *inter alia* engaged in operating as manufacturers, dealers, marketers, importers and exporters of welding electrode, flux-coated and bare gas welding rods, flux, paste, welding wires (flux-coated and solid), abrasion resistant plates, polymer epoxy resins used in engineering and other classes, and manufacturing welding and soldering tools as well as gas-powered surface tempering (bluing) machines and equipment.

Capital Structure

As on the date of this Prospectus, the capital of DEMSTAS is 250,000 Turkish Liras divided into 250,000 shares with a face value of 1/- Turkish Lira each.

Shareholding of DEMSTAS

Sr. No.	Name of the Shareholders	No. of Shares of 1 Turkish Lira each	Percentage of issued Capital (%)
1.	Diffusion Engineers Limited	175,000*	70%
2.	Gökhan Gürcan	75,000	30%
	Total	**250,000**	**100%**

** 175,000 Turkish Liras have been remitted by our Company on May 21, 2024 towards the nominal value of the shares.*

Amount of accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of DEMSTAS that have not been accounted for by our Company.

Brief financial information:

Diffusion Eurasia Mühendislik Sanayi Ve Ticaret Anonim Şirketi was incorporated on February 16, 2024 and, therefore, financial information for Fiscal 2023, 2022 and 2021 is not available.

Listing

Our Subsidiaries are not listed on any stock exchange in India or abroad. Further, neither have any of the securities of our Subsidiaries have been refused listing during the last 10 years by any stock exchange in India or abroad, nor have any of our Subsidiaries have failed to meet the listing requirements of any stock exchange in India or abroad.

Business Interest in our Company

Except as stated in "*Restated Consolidated Financial Statements – Note 38 - Related Party Transactions*" on page 357 of this Prospectus, none of our Subsidiaries have any business interest in our Company.

Common Pursuits

As on the date of this Prospectus, our Subsidiaries have common pursuits with our Company and is authorized to engage in similar business to that of our Company. Our Company will adopt the necessary procedure and practices as permitted by law to address any conflict situation, if and when they arise. For further details in relation to risks involving the common pursuits, see *"Risk Factor No. 9 - Conflict of interest may arise as some of our Group Companies and Subsidiaries are authorized to carry on similar line of business as our Company which may lead to real or potential conflicts of interest for our Promoters or Directors*" on page 44 of this Prospectus.

OUR MANAGEMENT

In terms of the Companies Act and our AoA, our Company is required to have not less than 3 Directors and not more than 15 Directors. As on the date of this Prospectus, our Company currently has six directors on its Board comprising of a Chairman and Managing Director, 2 (two) Non-Executive Directors (one of whom is a woman Non-Executive Director) and 3 (three) Independent Directors of which one is a women director.

Our Board

The following table sets forth details regarding our Board as on the date of filing of this Prospectus:

Name, designation, address, occupation, period of directorship, nationality, current term, date of birth and DIN	Age (years)	Other Directorships
Prashant Garg Designation: Chairman and Managing Director Address: Plot No. 03, Pawan Bhumi, Wardha road, Somalwada, Khamla, Nagpur– 440025, Maharashtra Occupation: Business Period of Directorship: Director since November 09, 2003 Term: 5 years with effect from March 16, 2020, on terms and conditions contained in the service agreement. Date of Birth: May 08, 1983 DIN: 00049106	41	**Indian Companies**: ▪ Nowelco Industries Private limited ▪ Diffusion Super Conditioning Services Private Limited ▪ Diffusion Hernon Adhesive and Sealant Private Limited ▪ Benvira Forward Algorithms Private Limited ▪ N K Garg Foundation **Foreign Companies:** ▪ LSN Diffusion Limited ▪ Diffusion Wear Solutions Philippines Inc. ▪ Diffusion Engineers Singapore Pte. Ltd. ▪ Mecdiff SDN BHD
Dr. Nitin Garg Designation: Non-Executive Director	48	**Indian Companies:** ▪ N K Garg Foundation ▪ Diffusion Hernon

Name, designation, address, occupation, period of directorship, nationality, current term, date of birth and DIN	Age (years)	Other Directorships
Address: Flat No. C 1/404, Block no. 6, 4th Floor, Paras Urban Park, Rohit Nagar, Huzur, Bhopal, Madhya Pradesh – 462039. Occupation: Professional Period of Directorship: since July 23, 2024 Term: Liable to retire by rotation Date of Birth: September 17, 1976 DIN: 08558736		Adhesive and Sealant Private Limited ▪ Nowelco Industries Private Limited ▪ BTSG Awareness Foundation ▪ Cenos Health Care Private Limited **Foreign Companies:** ▪ Nil
Chitra Garg Designation: Non-Executive Director Address: Plot No. 3, Somalwada, Pragati Society, Pavbhumi, Somalvada Nagpur, Khamla Nagpur, Maharashtra – 440025, India. Occupation: Business Period of Directorship: Director since December 05, 2023 Term: Liable to retire by rotation Date of Birth: June 12, 1953 DIN: 01784644	71	**Indian Companies:** ▪ Diffusion Super Conditioning Services Private Limited ▪ N K Garg Foundation **Foreign Companies:** ▪ Nil
Anil Trigunayat Designation: Independent Director Address: B-701, Ridgeview IFS Apartments, Plot No. GH – 87, Opposite Ansal University, Sector – 54, Gurgaon Sector – 56, Haryana – 122011, India Occupation: Service Period of Directorship: November 30, 2023 Term: 5 years with effect from November 30, 2023	68	**Indian Companies:** ▪ Wapcos Limited **Foreign Companies:** ▪ NIL

Name, designation, address, occupation, period of directorship, nationality, current term, date of birth and DIN	Age (years)	Other Directorships
Date of Birth: April 07, 1956 DIN: 07900294		
Sherry Oommen Designation: Independent Director Address: House No.44/1179, Ashoka Road, Kaloor P.O. Ernakulam - 682017, Kerala Occupation: Business Period of Directorship: August 26, 2024 Term: 5 years with effect from August 26, 2024 Date of Birth: April 08, 1981 DIN: 07059616	43	**Indian Companies**: ▪ NIL **Foreign Companies:** ▪ NIL
Deepali Bendre Designation: Independent Director Address: 5, Saraswati Layout, Deendayal Nagar, Nagpur – 440022, Maharashtra, India Occupation: Business Period of Directorship: August 26, 2024 Term: 5 years with effect from August 26, 2024 Date of Birth: October 29, 1970 DIN: 10753545	53	**Indian Companies**: ▪ NIL **Foreign Companies:** ▪ NIL

Brief profiles of our Directors:

Prashant Garg aged 41 years, is the Chairman and Managing Director of our Company. He holds a bachelor's degree in engineering from Rashtrasant Tukadoji Maharaj Nagpur University and a master's degree in business administration from Saïd Business School, University of Oxford. He has been associated with the Company since 2003 and he has approx. 20 years of experience in the industry we operate. Currently he is responsible for the day-to-day affairs, he also looks after new product development, infusion and upgradation of technology in operations and production process of our Company He has been responsible for innovations in the manufacturing process and addition of new product lines in the business. He is also acting as the director on the Board of our overseas subsidiary companies.

Dr. Nitin Garg aged 48 years, is the Non-Executive Director of our Company. He holds a bachelor's degree in medicine and a bachelor's degree in surgery from Nagpur University. He also holds a master's degree in general surgery from Manipal Academy of Higher Education, a master's degree in neurosurgery from National Institute of Mental Health and Neuro Sciences and has a Fellowship from the University of Pittsburgh. He is currently practicing as a neurosurgeon in Bhopal. He has founded BTSG Awareness Foundation, a non-profit organization and CENOS Health Care Private Limited.

Chitra Garg aged 71 years, has been appointed on the Board of our Company as the Non-Executive Director of our Company since December 2023. She holds a master's degree in arts (Geography) from Agra University. She has in the past been on the Board of our Company, our subsidiary, Diffusion Super Conditioning Services Private Limited. She continues to remain on the board of our subsidiary i.e. Diffusion Super Conditioning Services Private Limited since 1995.

Anil Trigunayat aged 68 years, is the Independent Director of our Company since November 2023. He holds a master's degree in science (Physics) from Agra University and a Diploma in Foreign Services Programme from Oxford University. He was associated with the Government of India as an Ambassador of the Country and has been served in various capacities throughout his service and retired from service as India's Ambassador to Libya and Jordan and High Commissioner to Malta in 2016. He is a Director on the Board of Wapcos Limited since 2022.

Sherry Oommen aged 43 years, is an Independent Director of our Company. He holds a master's degree in commerce from Aligarh Muslim University and a bachelor's degree in law from Bangalore University. He is also a member of the Institute of Chartered Accountants of India, the Institute of Cost Accountants of India and has cleared the professional programme examination held by the Institute of Company Secretaries of India. Additionally, he holds a master's degree in international taxation from National Academy of Legal Studies and Research (NALSAR) University of Law, Hyderabad. He has been practicing in legal and taxation matters. He is currently a partner of M/s. Omega Alliance, Advocates and Solicitors, Kochi, Kerala.

Deepali Bendre aged 53 years, is an Independent Director of our Company. She holds a master's degree in commerce from Pune University and is also a member of the Institute of Chartered Accountants of India. She has been a practicing Chartered Accountant for over 27 years and specializes in finance and accounting matters. She is currently a partner of M/s. Diwan & Dasture, Chartered Accountants, Nagpur, Maharashtra.

Arrangements with major shareholders, customers, suppliers, or others

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of our directors, Key Managerial Personnel or Senior Management Personnel were selected as a Director, Key Managerial Personnel or member of a senior management as on the date of this Prospectus.

Relationships between our Directors and Key Managerial Personnel and Senior Management

Except as stated below, none of our Directors, Key Managerial Personnel and Senior Management are related to each other:

Name of Director	Name of Relative	Nature of Relationship
Prashant Garg	Chitra Garg	Mother
	Dr. Nitin Garg	Brother
Dr. Nitin Garg	Chitra Garg	Mother
	Prashant Garg	Brother

Remuneration details of our Directors:

Remuneration details of our Executive Directors

Prashant Garg

Prashant Garg is the Chairman and Managing Director of our Company. He has been associated with our Company since November 2003 and has been appointed as the Managing Director of our Company for a period of 5 (five) years commencing from March 16, 2020. His terms and conditions of appointment have been approved by the Board on November 30, 2023 and consequently by the members of the Company on December 07, 2023.

He is entitled to receive the following remuneration and other employee benefits with effect from November 30, 2023:

Particulars	Remuneration (₹)
Salary	₹ 24 million p.a.
Perquisites and Allowances	₹ 2.5 million p.a.*
Sitting Fees	₹ 0.03 million for each board meeting and ₹ 0.005 million for each committee meeting
*Other benefits like Car with Driver, Leave encashment, Insurance, other perquisites, benefits, allowances, reimbursement etc. as provided in his service agreement.	

He has received an aggregate remuneration of ₹20.00 million in the financial year 2023-24.

Sitting Fees and Commission to Non-Executive Directors and Independent Directors

Pursuant to a resolution passed by our Board on December 13, 2023, our non-executive directors are entitled to receive a sitting fee of ₹35,000/- for attending each meeting of our Board and ₹5,000/- for attending each committee meeting.

The details of sitting fees paid to our Non-Executive Directors during financial year 2023-24 are as follows:

Sr. No.	Name of the Director	Sitting Fees paid (₹ in million)
1.	Dr. Renuka Garg	0.36
2.	Chitra Garg	0.11
3.	Ajay Jain	0.40
4.	Anita Vijayakar	0.40
5.	Anil Trigunayat	0.11
6.	Dr Nitin Garg*	-
7.	Sherry Oommen**	-

8.	Deepali Bendre**	-

**Appointed as Non-Executive Director with effect from August 31, 2024.*
**Appointed as Independent Director with effect from August 26, 2024*

Further, pursuant to a resolution passed by our Board on March 20, 2021, our Non-Executive Director(s), are entitled to commission in the following manner:

Sr. No.	Name of the Director	Commission (₹ in million)
1.	Chitra Garg	0.35
2.	Anil Trigunayat	0.35
3.	Dr. Nitin Garg	0.35
4.	Sherry Oommen	0.35
5.	Deepali Bendre	0.35

The details of commission paid to Executive and Non-Executive Director during financial year 2023-24 are as follows:

Sr. No.	Name of the Director	Commission paid (₹ in million)
1.	Prashant Garg*	-
2.	Dr. Renuka Garg	0.35
3.	Chitra Garg	0.35
4.	Ajay Jain#	0.35
5.	Anita Vijayakar#	0.35
6.	Anil Trigunayat	0.35
7.	Dr. Nitin Garg**	-
8.	Sherry Oommen***	-
9.	Deepali Bendre***	-

**As per the resolution passed by the members of the Company on December 07, 2023, Prashant Garg is not entitled to receive commission for the year 2023-24 onwards.*
***Appointed as Non-Executive Director with effect from August 31, 2024*
**** Appointed as Independent Director with effect from August 26, 2024*
 # Ceased to be a director with effect from September 13, 2024 pursuant to expiry of term as Independent Director.

Contingent and deferred compensation payable to our Directors, Key Management Personnel and Senior Management

None of our Directors, Key Managerial Personnel and Senior Management were entitled for any contingent or deferred compensation for the financial year 2023-24.

Remuneration paid or payable from our Subsidiaries or Associates

Our Company has six subsidiary companies, and two associate companies and Prashant Garg as well as Chitra Garg are director of the subsidiary and associate companies, as stated above, and are entitled to receive remuneration from our subsidiary and associate companies, including any contingent or deferred compensation accrued for financial year 2023-24.

Loans to Directors

None of our Directors have availed any loan from our Company.

None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

Bonus or profit-sharing plan for the Directors

Our Company does not have any bonus or profit-sharing plan for our Directors.

Shareholding of our Directors in our Company

Our AoA does not require our Directors to hold any qualification shares.

Except as mentioned below, none of our Directors hold Equity Shares in our Company as on the date of this Prospectus:

Particulars	Pre-Issue	
	Number of Shares	Percentage (%) holding
Prashant Garg	10,445,099	37.27
Chitra Garg	6,130,971	21.88
Dr. Nitin Garg jointly with Dr. Renuka Garg	526,967	1.88
Dr. Nitin Garg	6,876,254	24.54
Total	**23,979,291**	**85.57**

Service contracts with directors

There are no service contracts entered into with any of our directors which provide for any benefit upon termination of employment.

Payment or benefits to officers of our Company (non-salary related)

Except as stated under *"Remuneration details of our directors"*, *"Remuneration details of our non-executive directors (including independent directors"*, and *"Bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management"* no amount or benefit has been paid or given in the last two (2) years preceding the date of this Prospectus to any officer of our Company including our Directors, Key Management Personnel and Senior Management.

For further details, please refer to "*Financial Information- Note 38 – Related Party Transactions*" on page 357 of this Prospectus.

Appointment of relatives of our directors to any office or place of profit

Other than as disclosed in this Prospectus, none of the relatives of our directors currently hold any office or place of profit in our Company.

Interest of our directors

Our Directors are interested in our Company in the following manner:

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them, as well as sitting fees and commission, if any, payable to them for attending meetings of our Board and committees thereof.

Our Directors may be deemed as interested in our Company to the extent of the Equity Shares held by them or any Equity Shares that may be subscribed by or allotted to them from time to time. The Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any, or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. For further details, please refer to chapter titled "*Our Management – Shareholding of directors in our Company*" and "*Capital Structure*" on pages 298 and 107 respectively of this Prospectus. Our Directors may also be deemed to be interested to the extent of any dividend, if any, payable and other distributions in respect of the Equity Shares held by them.

Some of our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any entity which is promoted by them or in which they are members or in which they hold directorships or any partnership firm in which they are partners in the ordinary course of business, including for purchase of packaging materials. For further details, please see *"Financial Information- Note 38 – Related Party Transactions"* on page 357.

Except for Prashant Garg, Dr. Nitin Garg and Chitra Garg who may be deemed to be interested in the promotion or formation of our Company, none of our Directors have any interest in promotion or formation of our Company. For further details, please refer to chapter titled *"Our Promoter and Promoter Group"* beginning on page 315 of this Prospectus.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

Interest in land and property

Except as disclosed in this Prospectus, none of our Directors are interested in any property acquired by our Company or proposed to be acquired by our Company.

Except as disclosed in this Prospectus, none of our Directors have any interest in any transaction with our Company for acquisition of land, construction of building and supply of machinery, etc.

Business Interest

Except as stated in *"Financial Information - Note 38 – Related Party Transactions"* on page 357 and otherwise disclosed in this section, our Directors do not have any other business interest in our Company.

Confirmations

None of our Directors are and have not been, during the five years preceding the date of this Prospectus, a Director on the board of any listed company whose shares have been or were suspended from being traded on the BSE or NSE during their term of directorship in such company.

None of our Directors were or are directors on the board of listed companies which have been or were delisted from any stock exchange(s) during their term of directorship in such company.

No consideration, either in cash or shares or in any other form has 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 them to become or to help them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Prospectus are as follows:

Name of Director	Date of Change	Reason for Change
Anita Vijaykar	September 13, 2024	Cessation of Directorship due to completion of tenure as Independent Director
Ajay Jain	September 13, 2024	Cessation of Directorship due to completion of tenure as Independent Director
Dr. Nitin Garg	August 31, 2024	Change in designation from Additional Non-Executive Director to Non-Executive Director.
Deepali Bendre	August 26, 2024	Change in designation from Additional Independent Director to Independent Director
Sherry Oommen	August 26, 2024	Change in designation from Additional Independent Director to Independent Director
Deepali Bendre	August 26, 2024	Appointment as Additional Independent Director
Sherry Oommen	August 26, 2024	Appointment as Additional Independent Director
Dr. Nitin Garg	July 23, 2024	Appointment as Additional Non-Executive Director
Dr. Renuka Garg	July 23, 2024	Resigned as Non-Executive Director
Chitra Garg	December 07, 2023	Change in designation from Additional Non-Executive Director to Non-Executive Director.
Anil Trigunayat	December 07, 2023	Change in designation from Additional Independent Director to Independent Director.
Chitra Garg	December 05, 2023	Appointment as Additional Non-Executive Director

Name of Director	Date of Change	Reason for Change
Anil Trigunayat	November 30, 2023	Appointment as Additional Independent Director

Borrowing Powers of our Board of Directors

Pursuant to our Articles of Association, resolution passed by our Board at their meeting held on December 18, 2018 and resolution passed by our Shareholders at their meeting held on December 28, 2018, our Board is authorized to borrow, enhance and grant facility for the general, working capital and such other corporate purposes, from time to time as deemed by it to be requisite and proper, such that the monies to be borrowed together with the monies already borrowed by our Company do not exceed ₹2,000 million (Rupees Two Thousand Million) in excess of the aggregate of the paid share capital and free reserves of our Company as per its latest annual audited financial statements, apart from temporary loans obtained from the bankers of our Company in the ordinary course of business.

Further, pursuant to the resolution passed by our Board at their meeting held on December 18, 2018 and resolution passed by our Shareholders at their meeting held on December 28, 2018, the Board has been authorized to mortgage/ charge/ hypothecate all or any of the immoveable or moveable properties of the Company including under hire purchase scheme both present and future and/ or whole or substantially the whole of the undertaking or undertakings of the Company on such terms and conditions as the Board may deem fit, for securing any loans and/or advances already obtained or that may be obtained from bank(s), financial institution(s), others, entities or any combination thereof from time to time and at any time and in one or more tranches. However, the total underlying charge created/to be created shall not exceed 2,000 million (Rupees Two Thousand Million) at any time.

Corporate Governance

In addition to the Companies Act, 2013, the provisions of the SEBI Listing Regulations with respect to corporate governance, will also be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the corporate governance requirements prescribed under SEBI Listing Regulations and the Companies Act, particularly, in relation to composition of our Board of Directors and constitution of board level committees.

Our Board of Directors is constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

As on the date of this Prospectus, our Company currently has 6 (six) Directors on its Board. In compliance with the requirements of the Companies Act and Regulation 17 of the SEBI Listing Regulations, we have 1 (one) executive director who is the Chairman and the Managing Director, 2 (two) Non-Executive Director (one of whom is a woman Non-Executive Director) and 3 (three) Independent Directors out of which one is a women director.

Committees of the Board:

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013 or other applicable laws, our Company has constituted the following Board-level committees:

(i) Audit Committee.
(ii) Nomination and Remuneration Committee.
(iii) Stakeholders' Relationship Committee
(iv) Risk Management Committee
(v) Corporate Social Responsibility Committee

Audit Committee

The Audit Committee was last re-constituted by our Board at its meeting held on August 26, 2024 and at the same meeting, the terms of reference of the Audit Committee were approved by our Board. The Audit Committee is in compliance with Section 177 and other applicable provisions of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises:

Name	Position in the Committee	Designation
Sherry Oommen	Chairperson	Independent Director
Deepali Bendre	Member	Independent Director
Prashant Garg	Member	Managing Director

Scope and terms of reference:

The Audit Committee shall be responsible for, among other things, as may be required by the Stock Exchange(s) from time to time, the following:

Powers of Audit Committee:

1. *to investigate any activity within its terms of reference.*
2. *to seek information from any employee of our Company.*
3. *to obtain outside legal or other professional advice; and*
4. *to secure attendance of outsiders with relevant expertise, if it considers necessary; and*
5. *to approve the disclosure of the Key Performance Indicators to be disclosed in the documents in relation to the initial public offering of the equity shares of the Company.*

Role of 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 statement is correct, sufficient and credible;
2. recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and fixation of the audit fee;
3. approve payment to statutory auditors for any other services rendered by the statutory auditors;
4. review, 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 I of sub-section (3) of Section 134 of the Companies Act;

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;
g. modified opinion(s) in the draft audit report;

5. review, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;
6. review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. formulating a policy on related party transactions, which shall include materiality of related party transactions and the definition of material modifications of related party transactions;
9. subject to and conditional upon approval of our Board, approval of related party transactions or subsequent modifications thereto and omnibus approval for related party transactions proposed to be entered into by our Company, subject to conditions as may be prescribed;

   Provided that only those members of the committee, who are Independent Directors, shall approve related party transactions;

   Explanation: *The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act.*
10. subject to review by our Board, review on quarterly basis, of related party transactions entered into by our Company pursuant to each omnibus approval given pursuant to 8 above;

    Provided that only those members of the committee, who are Independent Directors, shall approve related party transactions;

    Explanation: *The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI LODR Regulations and/or the applicable Accounting Standards and/or the Companies Act.*
11. approval of related party transactions to which the subsidiary(ies) of the Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company, subject to such other conditions prescribed under the SEBI Listing Regulations;
12. scrutinize inter-corporate loans and investments;
13. valuation of undertakings or assets of the Company, wherever it is necessary;
14. evaluation of internal financial controls and risk management systems;
15. review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
16. review 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;
17. discussion with internal auditors of any significant findings and follow up there on;

18. review 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;
19. 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;
20. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. to review the functioning of the whistle blower mechanism;
22. monitoring the end use of funds through public offers and related matters;
23. oversee the vigil mechanism established by our Company, with the chairman of Audit Committee directly hear grievances of victimization of employees and directors, who use vigil mechanism to report genuine concerns in appropriate and exceptional cases;
24. approve the appointment of chief financial officer (i.e the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
25. review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
26. consider and comment on rationale, cost-benefit and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
27. carrying out any other function as is mentioned in the terms of reference of the audit committee and any other terms of references as may be decided by the board of directors of our company or specified/provided under the Companies Act or by the SEBI LODR Regulations or by any other regulatory authority.
28. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.
29. oversee the procedures and processes established to attend to issues relating to the maintenance of books of accounts, administrations procedures, transactions and other matters having a bearing on the financial position of our company, whether raised by the auditors or by any other person;
30. Act as a compliance committee to discuss the level of compliance in our Company and any associated risks and to monitor and report to the Board on any significant compliance breaches;

The Audit Committee shall mandatorily review the following information:

a. management discussion and analysis of financial condition and results of operations;
b. management letters / letters of internal control weaknesses issued by the statutory auditors;
c. internal audit reports relating to internal control weaknesses; and
d. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
e. statement of deviations in terms of SEBI LODR Regulations:
    - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s).
    - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was last re-constituted by our Board at its meeting held on August 26, 2024 and at the same meeting, the terms of reference of the Nomination and Remuneration Committee were approved by our Board. The Nomination and Remuneration Committee is in compliance with Section 178 and other applicable provisions of the Companies Act and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

Name	Position in the Committee	Designation
Deepali Bendre	Chairperson	Independent Director
Sherry Oommen	Member	Independent Director
Chitra Garg	Member	Non-Executive Director

Scope and terms of reference:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees
2. for appointment of an independent directors, evaluation of the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparation of a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:
    a. use the services of an external agencies, if required;
    b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    c. consider the time commitments of the candidates.
3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. devising a policy on diversity of board of directors
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. recommend to the board, all remuneration, in whatever form, payable to senior management.
8. the Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that –
    a. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
    b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of our Company and its goals.

9. perform such functions as required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:
    a. administering the employee stock option plans of our Company, as may be required;
    b. determining the eligibility of employees to participate under the employee stock option plans of our Company;
    c. granting options to eligible employees and determining the date of grant;
    d. determining the number of options to be granted to an employee;
    e. making allotment pursuant to the employee stock option plans;
    f. determining the exercise price under the employee stock option plans of our Company; and
    g. construing and interpreting the employee stock option plans of our Company and any agreements defining the rights and obligations of our Company and eligible employees under the employee stock option plans of our Company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of our Company.
10. frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
    a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
    b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, our Company and its employees, as applicable.
11. performing such other activities as may be delegated by the Board or specified or provided under the Companies Act or the SEBI LODR Regulations, and the rules and regulations made thereunder or other applicable law, including any amendments thereto as may be made from time to time.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was last re-constituted by our Board at its meeting held on August 26, 2024. The Stakeholders' Relationship Committee is in compliance with Section 178 and other applicable provisions of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises of:

Name	Position in the Committee	Designation
Sherry Oommen	Chairperson	Independent Director
Prashant Garg	Member	Managing Director
Dr. Nitin Garg	Member	Non-Executive Director

The Stakeholders' Relationship Committee shall oversee all the matters pertaining to investors of our Company. The scope and function of the Stakeholders' Relationship Committee and its terms of reference shall include the following:

a) consider and look into various aspects of interest of shareholders, debenture holders and other security holders;
b) consider and resolve the grievances of security holders of the Company including compliance related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new/duplicate certificates, general meetings etc;

c) formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
d) giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
e) issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
f) monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of shares and debentures;
g) reference to statutory and regulatory authorities regarding investor grievances;
h) reviewing the measures taken for effective exercise of voting rights by the shareholders,
i) reviewing adherence to the service standards adopted by the Company with respect to all the services rendered by the Registrar and Share Transfer Agent;
j) to dematerialize or rematerialize the issued shares;
k) reviewing the measures and initiatives taken by the Company to reduce the quantum of unclaimed dividends;
l) Ensuring timely receipt of dividend warrants/ Annual Reports/ Statutory Notices by the Shareholders of the Company; and
m) carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Risk Management Committee

The Risk Management Committee was last re-constituted by our Board at its meeting held on August 26, 2024. The Risk Management Committee is in compliance with Regulation 21 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises of:

Name	Position in the Committee	Designation
Prashant Garg	Chairperson	Managing Director
Sherry Oommen	Member	Independent Director
Anil Trigunayat	Member	Independent Director
Abhishek Mehta	Member	Chief Financial Officer

The scope and functions of the Risk Management Committee are in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference include the following:

1. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
2. To implement and monitor policies and/or processes for ensuring cyber security;
3. To frame, devise and monitor detailed risk management plan and policy of the Company which shall include:
    a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability(particularly ESG related risks),information, cyber security risks, or any other risk as may be determined by the Committee.
    b. Measures for risk mitigation including systems and processes for internal control of identified risks.

c. Business Continuity Plan

4. To review and recommend potential risk involved in any new business plans and processes;
5. To review the Company's risk-reward performance to align with the Company's overall policy objectives;
6. Monitor and review regular updates on business continuity;
7. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
10. Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and
11. Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, or by the Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.
12. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the company;
13. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
14. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
15. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
16. To review the appointment, removal, and terms of remuneration of the Chief Risk Officer (if any).
17. Coordination of activities with other committee, in instances where there is any overlap with the activities of such committees as per the framework laid down by the Board of Directors.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was last re-reconstituted by our Board at its meeting held on August 26, 2024. The Corporate Social Responsibility Committee is in compliance with Section 135 and other applicable provisions of the Companies Act. Corporate Social Responsibility Committee currently comprises:

Name	Position in the Committee	Designation
Deepali Bendre	Chairperson	Independent Director
Dr. Nitin Garg	Member	Non-Executive Director
Chitra Garg	Member	Non-Executive Director

The powers and scope of the Corporate Social Responsibility Committee of our Company is in accordance with Section 135 of the Companies Act and its terms of reference as stipulated pursuant to a resolution dated August 26, 2024 passed by our Board are set forth below:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
2. To identify corporate social responsibility policy partners and corporate social responsibility policy programs;

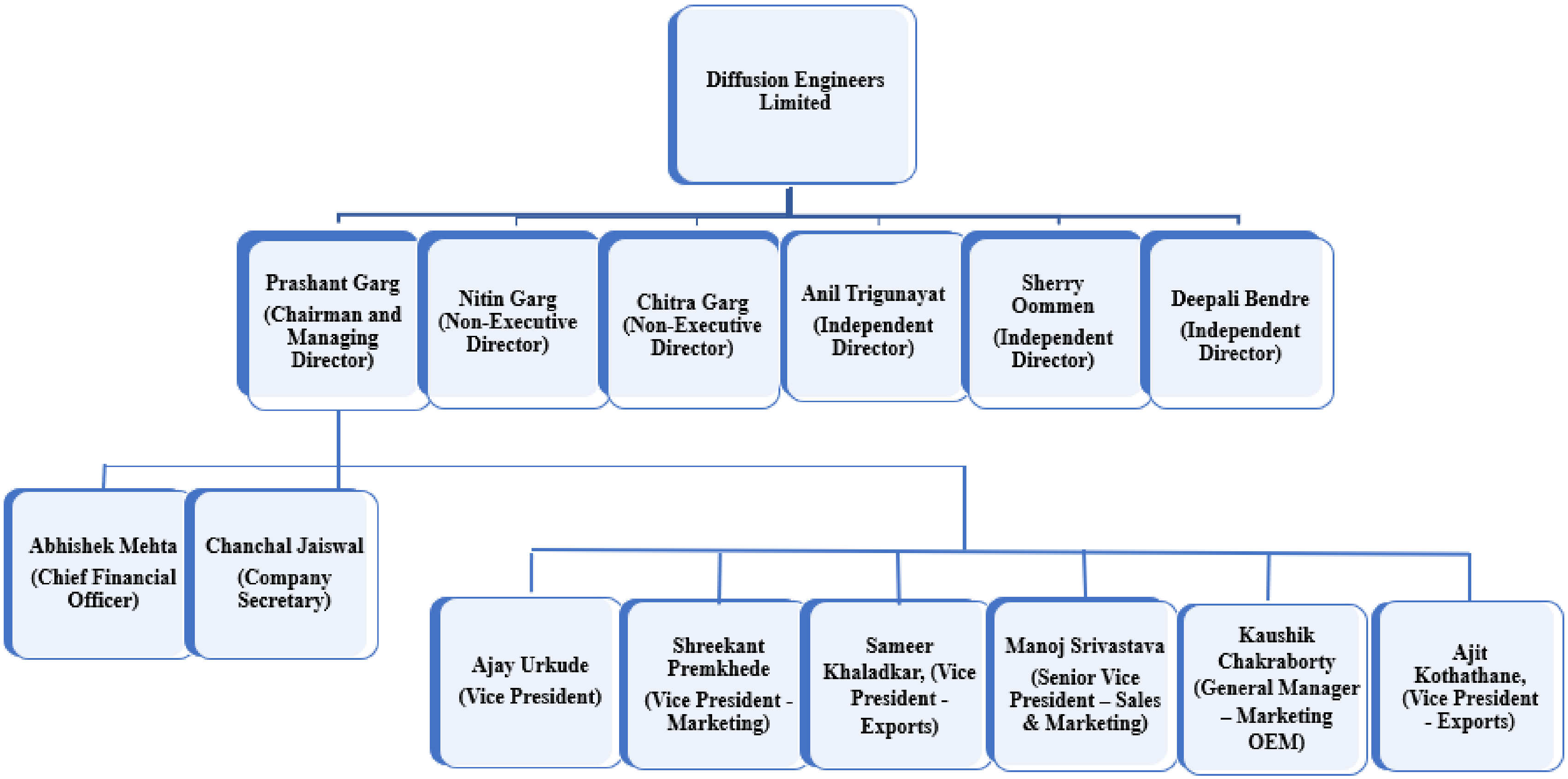
3. To formulate and recommend to the Board, an annual action plan in pursuance to the Corporate Social Responsibility Policy, which shall include the following, namely:
   a. the list of Corporate Social Responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in the Schedule VII of the Companies Act;
   b. the manner of execution of such projects or programmes as specified in Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;
   c. the modalities of utilization of funds and implementation schedules for the projects or programmes;
   d. monitoring and reporting mechanism for the projects or programmes; and
   e. details of need and impact assessment, if any, for the projects undertaken by the company. Provided that the Board may alter such plan at any time during the financial year, as per the recommendations of the Corporate Social Responsibility Committee, based on the reasonable justification to that effect.
4. To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programs undertaken by the Company;
5. To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
6. To review and monitor the implementation of corporate social responsibility programs and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programs; and
7. To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act.

Other committees

(i) Internal Complaints Committee for redressal of sexual harassment complaints

In addition to the committees of our Board detailed above, our Board may, from time to time, constitute committees for various functions.

Management Organization Structure



Key Management Personnel and Senior Management

Key Management Personnel

(i) Prashant Garg, Managing Director (ii) Abhishek Mehta, Chief Financial Officer, and (iii) Chanchal Jaiswal, Company Secretary & Compliance Officer are the Key Managerial Personnel of our Company as on the date of this Prospectus.

Brief profiles of our Key Management Personnel

For a brief profile of Prashant Garg, see "*Our Management – Brief Profiles of our Directors*" on page 294 of this Prospectus.

Abhishek Mehta has been associated with our Company since July 2020 in the capacity of General Manager – Finance and Accounts. He was appointed as the Chief Financial Officer with effect from June 29, 2023. He is a Chartered Accountant and holds a degree in bachelors of law from Nagpur University. He has experience of more than ten years working in the insurance and banking sector. He has received a remuneration of ₹1.82 million for the financial year 2023-24. For Fiscal 2025, he is entitled to a remuneration of ₹ 1.82 million from our Company, which is in accordance with the terms of his appointment.

Chanchal Jaiswal is the Company Secretary and Compliance Officer of our Company. She holds a bachelor's degrees in law and is also an associate member of the Institute of Company Secretaries of India. She has over 1.5 years of experience in secretarial compliance and corporate governance field. She was appointed since June 2023. She has received a remuneration of ₹0.60 million for the financial year 2023-24. For Fiscal 2025, she is entitled to a remuneration of ₹0.92 million.

Senior Management Personnel

Brief Profile of our Senior Management Personnel:

Ajay Urkude is Vice President and has been associated with our Company since 2003. He holds B. Tech degree in Mechanical Engineering from J.R.N. Rajasthan Vidyapeeth University. He has experience of more than two decades of working in engineering sector. In Fiscal 2024, he received a remuneration of ₹2.76 million from our Company.

Ajit Kotasthane is Vice President **-** Exports and has been associated with our Company since November 2018. He holds a diploma in Mechanical Engineering from Government Polytechnic College, Jabalpur. He has experience of more than three decades of working in engineering sector. In Fiscal 2024, he received a remuneration of ₹2.69 million from our Company.

Kaushik Chakraborthy is the General Manager – Marketing (OEM) and has been associated with our Company since September 2021. He holds a bachelor's degree in mechanical engineering from Nagpur University. He has 25 years of experience of working in sales and marketing. In Fiscal 2024, he received a remuneration of ₹ 3.23 million from our Company.

Manoj Kumar Srivastava is the Senior Vice President – Sales and Marketing and has been associated with our Company since October 2016. He holds a Diploma in Mechanical Engineering from Institute of Engineering and Rural Technology, Allahabad. He has over three decades of experience of working in sale and marketing and has previously worked with various engineering companies. In Fiscal 2024, he received a remuneration of ₹2.57 million from our Company.

Sameer Kaladkar is the Vice President – Exports and has been associated with our Company since July 2022. Prior to that, he has been associated with our Company as Sales Engineer from May 1997. He holds a bachelor's in engineering degree in Production from Nagpur University. He has experience of more than two decades working in various departments and designation in our Company. In Fiscal 2024, he received a remuneration of ₹2.74 million from our Company.

Shreekant Premkhede is the Vice President – Marketing and has been associates with our Company since April 2022. Prior to that, he has been associated with our Company as Trainee Sales Engineer since July 1998. He holds bachelor's degree in engineering from Nagpur University. He has experience of more than 2 decades working in various capacities with our Company. In Fiscal 2024, he received a remuneration of ₹ 2.50 million from our Company.

Status of Key Managerial Personnel and Senior Management

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Relationship between our Key Management Personnel and Senior Management

Except as disclosed in *"-Relationships between our Directors and Key Managerial Personnel and Senior Management"* on page 295 of this Prospectus, none of our Key Managerial Personnel or Senior Management are related to each other or any of our Directors.

Bonus or profit-sharing plan for the Key Management Personnel and Senior Management

There is no bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management of our Company.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management were entitled for any contingent or deferred compensation for financial year 2023-24.

Shareholding of Key Management Personnel and Senior Management

Except as disclosed, none of our Key Management Personnel and Senior Management hold any Equity Shares as on the date of this Prospectus.

Sr. No.	Name of the Key Managerial Personnel	Shareholding	Percentage of pre-Issue Shareholding
1.	Abhishek Mehta	9,100	0.03%
	Total	**9,100**	**0.03%**

Service Contracts with Key Managerial Personnel and Senior Management

Our Key Managerial Personnel and Senior Management have not entered into any other service contracts with our Company.

Further, no officer of our Company is entitled to any benefit upon termination of employment or superannuation, other than statutory benefits.

Interest of Key Management Personnel and Senior Management

Except as provided in "– *Interest of our Directors*" on page 298 and to the extent of the remuneration, benefits, interest of receiving dividends on the Equity Shares held by them, if any, reimbursement of expenses incurred in the ordinary course of business, our Key Managerial Personnel and Senior Management are not interested in any other form of remuneration.

Certain of our Key Managerial Personnel and Senior Management may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they are members or any partnership firm in which they are partners in the ordinary course of business. For further details, please see "*Note 38* – "*Related Party Transactions*" in the chapter titled *"Restated Consolidated Financial Statements"* on page 357.

Arrangements and understanding with major shareholders, customers, suppliers or others

Except as provided in *"– Arrangement or understanding with major shareholders, customers, suppliers or others*" on page 295, none of our Key Managerial Personnel and Senior Management have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Employee stock option scheme

Our Company does not have any employee stock option plan neither has it issued any shares pursuant to employee stock option scheme.

Changes in Key Management Personnel and Senior Management during the last three years

Changes in our Key Management Personnel and Senior Management during the three years immediately preceding the date of this Prospectus are set forth below.

Name	Date of Change	Reasons for Change
Shreekant Premkhede	August 03, 2024*	Promoted to Vice President – Marketing from Senior General Manager – Marketing
Sameer Kaladkar	August 03, 2024*	Promoted to Vice President – Exports from Senior General Manager – Exports
Ajit Kotasthane	August 03, 2024*	Promoted to Vice President – Exports from Senior General Manager – Exports
Ajay Urkude	August 03, 2024*	Promoted to Vice President from General Manager – National Product Head

Chanchal Jaiswal	June 12, 2023	Appointment as Company Secretary and Compliance Officer
Abhishek Mehta	June 29, 2023	Appointment as Chief Financial Officer

* with effect from April 01, 2024

Payment or benefit to officers of our Company

No non-salary related amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of this Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

OUR PROMOTER AND PROMOTER GROUP

Our Promoters

As on the date of this Prospectus, our Promoters are Prashant Garg, Dr. Nitin Garg and Chitra Garg.

As on the date of this Prospectus, our Promoters' shareholding in our Company is as follows:

Category	Number of Equity Shares held	Percentage of pre-Issue paid up capital (%)
Prashant Garg	10,379,551	37.04
Prashant Garg jointly with Neelu Garg	65,548	0.23
Dr. Nitin Garg	6,876,254	24.54
Dr. Nitin Garg jointly with Dr. Renuka Garg	526,967	1.88
Chitra Garg	6,130,971	21.88
Total (A)	**23,979,291**	**85.58**

For further details of shareholding of our Promoters and Promoter Group, see *"Capital Structure – Details of shareholding of our Promoters and members of the Promoter Group in our Company"* on page 154.

Individual Promoter(s)

Prashant Garg, aged 41 years, is the Promoter, Chairman and Managing Director of our Company.

Permanent Account Number: AFXPG5623H

For a complete profile of Prashant Garg, i.e., his date of birth, residential address, educational qualification, professional experience, positions held in the past and other directorships, special achievements, please refer to section titled "*Our Management*" beginning on page 292 of this Prospectus.

Dr. Nitin Garg, aged 48 years, is the Promoter, and Non-Executive Director of our Company.

Permanent Account Number: AERPG3915P

For a complete profile of Nitin Garg, i.e., his date of birth, residential address, educational qualification, professional experience, positions held in the past and other directorships, special achievements, please refer to section titled "*Our Management*" beginning on page 292 of this Prospectus.

Chitra Garg, aged 71 years, is the Promoter, and Non-Executive Director of our Company.

Permanent Account Number: ABQPG8906J

For a complete profile of Chitra Garg, i.e., her date of birth, residential address, educational qualification, professional experience, positions held in the past and other directorships, special achievements, please refer to section titled "*Our Management*" beginning on page 292 of this Prospectus.

Our Company confirms that the details of the PAN, Bank Account Number(s), Aadhar card number, driving license number and passport number of our Promoters has been submitted to the Stock Exchange(s) at the time of filing the Prospectus.

Other ventures of our Promoters

Other than as disclosed in *"- Promoter Group*" and "*Our Management*" on pages 419 and 292, our Promoters are not involved in any other venture.

Interests of our Promoters

Interest in promotion of our Company

Our Promoters are interested in our Company (i) to the extent that they have promoted our Company; (ii) to the extent of their direct and indirect shareholding in our Company, the shareholding of their relatives and entities in which our Promoters are interested and which hold Equity Shares in our Company; (iii) any dividends payable to them and any other distributions in respect to their shareholding in our Company or shareholding of their relatives or such entities. For details pertaining to our Promoter's shareholding, please see *"Details of shareholding of our Promoters and members of the Promoter Group in our Company"* on page 102 of this Prospectus.

Interest other than in promotion of our Company

Our Promoters, Prashant Garg, Dr. Nitin Garg and Chitra Garg are interested to the extent of remuneration, commission and reimbursement of expenses payable to them by virtue of being Managing Director and Non-Executive Directors, respectively of our Company. For further information, please refer to chapter titled "*Our Management"* beginning on page 292 of this Prospectus.

Interest in property, land, construction of building and supply of machinery, etc.

Our Company has entered into a sale deed dated November 28, 2023 for purchase of land located at Gut / Khasra No. 37 at Khapri (Uma), Nagpur, Maharashtra with our Promoters i.e. Prashant Garg, Dr. Nitin Garg and Chitra Garg who were co-owners of the aforesaid property for an aggregate purchase consideration of ₹40.00 million.

Except as stated above and further as disclosed under "*Note 38 – Related Party Transactions*" in the chapter titled "Restated Consolidated Financial Statements" on page 357, our Promoters have no interest in any property acquired by our Company in the three years preceding the date of this Prospectus or proposed to be acquired by our Company.

Further, except as stated in this Prospectus our Promoters have no interest in any transaction by our Company for acquisition of land, Construction of building or supply of machinery.

Interest of our Promoters in our Company arising out of being a member of a firm or company

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to our Promoters or to such firm or company in which our Promoters are interested as members, in cash or shares or otherwise by any person either to induce our Promoters to become, or qualify them as a director or promoter, as applicable or otherwise for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

No sum has been paid or agreed to be paid to our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Other Interest and Disclosures

Except as stated under "*Note 38 – Related Party Transactions*" in the chapter titled *"Restated Consolidated Financial Statements"* on page 357 of this Prospectus, our Company has not entered into any contract, agreements or arrangements or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to him in respect of the contracts, agreements or arrangements which are proposed to be made with him.

Our Promoters are not related to any sundry debtors of our Company except as disclosed in Restated Consolidated Financial Statements.

Except as disclosed in this Prospectus, our Promoters do not have any interest in any venture.

Promoter Group of our Company

In addition to our Promoters, the individuals and entities that form part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

(a) Natural Persons who are part of the Promoter Group

Relationship with Promoter	Prashant Garg	Dr. Nitin Garg	Chitra Garg
Spouse	Neelu Garg	Dr. Renuka Garg	Late Narendra Kumar Garg
Father	Late Narendra Kumar Garg	Late Narendra Kumar Garg	Late Uma Shankar Gupta
Mother	Chitra Garg	Chitra Garg	Late Urmila Devi Gupta
Brother	Dr. Nitin Garg	Prashant Garg	Sumant Kumar Gupta
			Late Sanjeev Kumar Gupta
Sister	-	-	Neelam Gupta
			Madhu Gupta
Son	Viraj Garg	Rijul Garg	Dr. Nitin Garg
	Kabir Garg	Ranveer Garg	Prashant Garg

Relationship with Promoter	Prashant Garg	Dr. Nitin Garg	Chitra Garg
Spouse's Father	Tikamdas Chhabrani	Jagdish Vohra	Late Devi Charan Garg
Spouse's Mother	Mohini Chhabrani	Ranjit Vohra	Late Kiran Devi Garg
Spouse's Brother	Sunil Chhabrani	Rajneesh Vohra	Vinod Kumar Garg
	Kamal Chhabrani	Vinay Vohra	-
	Vinod Chhabrani	-	-
Spouse's Sister	-	-	Kalpana Devi Singhal
			Kamlesh Kumar
			Sarita Devi Singhla

(b) Entities forming a part of Promoter Group

As on the date of filing of this Prospectus, the following entities form part of our Promoter Group:

Sr. No.	Name of Entities
1.	Cenos Health Care Private Limited
2.	BTSG Awareness Foundation
3.	N.K Garg HUF
4.	NK Garg Foundation (Section 8 Company)
5.	Diffusion Super Conditioning Services Private Limited
6.	Diffusion Hernon Adhesive and Sealant Private Limited
7.	Nowelco Industries Private Limited
8.	Diffusion Engineers Singapore Pte Ltd
9.	Diffusion Wear Solutions Philippines Inc
10.	LSN Diffusion Limited
11.	Mecdiff SDN BHD
12.	Benvira Forward Algorithms Private Limited
13.	Devi Kiran Advisory Services LLP
14.	The 21st Century Builders & Engineers (Sole Proprietorship)
15.	M/s. 21st Century Steel Structure Private Limited
16.	M/s. Desi Rang (Sole Proprietorship)
17.	M/s. RL Fruit Co. (Sole Proprietorship)
18.	M/s. S Kumar Fruits (Sole Proprietorship)

Other than as disclosed above, our Company has no other companies or entities that form part of our Promoter Group.

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our promoter group as on the date of this Prospectus please see chapter titled "*Capital Structure*" on page 107 of this Prospectus.

Confirmations

The Company hereby confirms that:

- Our Promoters have not been declared as a Wilful Defaulters or Fraudulent Borrower.

- Our Promoters and members of the Promoter Group are not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

- Our Promoters have not been declared as fugitive economic offender under section 12 of the Fugitive Economic Offender Act, 2018.

- Our Promoters are not and have never been promoters, directors or persons in control of any other company which is prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Related Party Transactions

For details of related party transactions entered into by our Promoters, Promoter Group and our Company during the last financial three years, the nature of transactions and the cumulative value of transactions, please refer to "*Note 38 – Related Party Transactions*" in the chapter titled *"Restated Consolidated Financial Statements"* on page 357 of this Prospectus.

Payment or benefits to the Promoters and Promoter Group

Except as stated otherwise under " *Note 38 – Related Party Transactions*" in the chapter titled *"Restated Consolidated Financial Statements"* on page 357 of this Prospectus about the related party transactions entered into during the last three (3) financial years as per IND AS 24 and in "*Interest of our Promoters*" disclosed in this Chapter, there has been no other payment or benefit to our Promoters or Promoter Group nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Prospectus.

Disassociation by the Promoters from entities in last three (3) years

Except as stated below, our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Prospectus

Name of the Company	Name of Promoter(s)	Reason for Disassociation	Date of Disassociation
Diffusion MGM Machines Private Limited	Prashant Garg and Dr. Nitin Garg	Diffusion MGM Machines Private Limited was inoperative since 2016 and hence, it was struck off by Registrar of Companies, Mumbai pursuant to application filed by Diffusion MGM Machines Private Limited	December 01, 2021

Change in the management and control of our Company

There has been no change in the management or control of our Company during the last five years preceding the date of this Prospectus.

Material Guarantees

There are no material guarantees given to third parties by the Promoters with respect to specified securities of the Issuer.

Outstanding Litigation

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 402 of this Prospectus.

OUR GROUP COMPANIES

In accordance with the SEBI ICDR Regulations, the term 'group companies' includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed in this Prospectus, as covered under applicable accounting standards, and (ii) any other company, as considered material by our Board.

Subsequently, for (i) above, our Company has considered companies with which there were related party transactions, during the period for which financial information is disclosed in this Prospectus, as covered under the applicable accounting standards.

In addition, for the purposes of (ii) above, the Board pursuant to the materiality policy adopted by the Board pursuant to its resolution dated December 13, 2023 has determined that a company (other than the companies covered under the schedule of related party transactions as per the Restated Consolidated Financial Statements) shall be considered 'material' and will be disclosed as a 'group company' in the draft offer document and offer documents, if (i) it is a member of the Promoter Group (companies) (other than the Promoters) in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations; and (ii) our Company has entered into one or more transactions with such company during the last completed Fiscal (or relevant Stub period, if applicable), which individually or cumulatively in value exceeds 10% of the revenue from operations of our Company for the last completed Fiscal as per the Restated Consolidated Financial Statements.

Accordingly, as based on the parameters outlined above, as on date of this Prospectus, our Company has the following Group Companies:

Sr. No.	Group Companies	Registered Office
1.	Mecdiff Sdn Bhd	16-2-1, Jalan Puteri ¼, Bandar Puteri, Puchong, 47100, Selangor.
2.	LSN Diffusion Limited	Unit A & B, Cilyrychen Industrial Estate, Llandybie, Ammanford, SA18 3GY.
3.	Benvira Forward Algorithms Private Limited	T – 5 & T-6, Hingana Industrial Area, MIDC, Nagpur, Nagpur, Maharashtra, India, 440038.

**Diffusion MGM Machines Private Limited, a group company was struck off on December 01, 2021 for more details please refer to "Disassociation by the Promoters from entities in last three (3) years" in the chapter titled "Our Promoter and Promoter Group" on page 319 of this Prospectus.*

Details of our Group Companies:

In accordance with the SEBI ICDR Regulations, information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, of the Group Companies determined on the basis of their annual turnover, based on their respective audited financial statements for the preceding three years based on their respective audited financial statements shall be hosted on the websites of our Company as indicated below:

Sr. No.	Group Companies	Website
1.	Mecdiff Sdn Bhd	https://www.diffusionengineers.com/investors-relation
2.	LSN Diffusion Limited	
3.	Benvira Forward Algorithms Private Limited	

Our Company has provided links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. The information provided on the websites given above should not be relied upon or used as a basis for any investment decision.

Outstanding Litigation involving the Group Companies

As on the date of this Prospectus, our Group Companies are not party to any pending litigation which may have a material impact on our Company.

Common Pursuits of Group Companies and our Company

Some of our Group Companies have common pursuits with our Company and are authorized to engage in similar business to that of our Company as on the date of this Prospectus. Our Company will adopt the necessary procedure and practices as permitted by law to address any conflict situation, if and when they arise. For further details in relation to risks involving the common pursuits, see *“Risk Factor No. 9 - Conflict of interest may arise as some of our Group Companies and Subsidiaries are authorized to carry on similar line of business as our Company which may lead to real or potential conflicts of interest for our Promoters or Directors*” on page 44 of this Prospectus.

Business and other interests

Except as disclosed under *Note 38 – Related Party Transactions”* under the chapter *“Restated Consolidated Financial Statements”* on page 357, none of our Group Companies have any business or interest in our Company.

Related business transactions with our Group Companies and significance on the financial performance of our Company

Other than the transactions as disclosed under *Note 38 – Related Party Transactions”* under the chapter *“Restated Consolidated Financial Statements”* on page 357 there are no other related business transactions between our Company and our Group Companies which are significant for the financial performance of our Company.

Nature and extent of interests of our Group Companies

As on the date of this Prospectus, our Group Companies do not have any interest in the promotion or formation of our Company. Our Group Companies do not have any interest in the properties which has been acquired by our Company in the three years preceding the filing of this Prospectus or proposed to be acquired by it as on the date of this Prospectus. Our Group Companies do not have any interest in any transaction for the acquisition of land, construction of building, or supply of machinery. Except as stated in “*Restated Consolidated Financial Statements – Note 38- Related Party Transactions”* on page 357 of this Prospectus, none of our Group Companies have any business interest in our Company.

Utilization of Issue Proceeds

Except as disclosed in "*Objects of the Issue*" on page 159, there are no material existing or anticipated transactions with our Group Companies in relation to utilization of the Issue Proceeds.

Certain Other Confirmations

None of the securities of our Group Companies are listed on any stock exchange. None of our Group Companies have listed debt securities. None of our Group Companies have made any public or rights issue in the three immediately preceding years.

DIVIDEND POLICY

As on the date of this Prospectus, the Company does not have a formal dividend policy. The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable laws including the Companies Act, read with the rules notified thereunder, each as amended. We may retain all our future earnings, if any, for purposes to be decided by our Company, subject to compliance with the provisions of the Companies Act.

The quantum of dividend, if any, will depend on a number of factors, including but not limited to profits earned and available for distribution during the relevant Financial Year/Fiscal, accumulated reserves including retained earnings, expected future capital/expenditure requirements, organic growth plans/expansions, proposed long-term investment, capital restructuring, debt reduction, crystallization of contingent liabilities, cash flows, current and projected cash balance, and external factors, including but not limited to the macro-economic environment, regulatory changes, technological changes and other factors like statutory and contractual restrictions.

Particulars	**Fiscals**		
	2024	**2023**	**2022**
Face value per shares	10.00	10.00	10.00
Dividend	14.01	11.21	14.96
Dividend per share (₹)	0.50	4	4
Rate of Dividend (%)	5%	40%	40%

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under our current or future loan or financing documents. The amounts declared as dividends in the past are not necessarily indicative of our dividend amounts, if any, in the future. For more information on restrictive covenants under our current loan agreements, see "*Financial Indebtedness*" on page 399. There is no guarantee that any dividends will be declared or paid. For details, see "Risk Factors no.53 – *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.*" on page 75 of this Prospectus.

For further details, please refer to section titled *"Financial Information"* beginning on page 325 of this Prospectus.

SECTION V – FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL STATEMENTS

To,
The Board of Directors
Diffusion Engineers Limited
T-5 & 6, MIDC, Hingana Nagpur
Maharashtra, Pin- 440016.

Independent Auditors' Examination Report on Restated Financial for the year ended 31st March 2024, 31st March 2023 and 31st March 2022 in connection with the Initial Public Offering of Diffusion Engineers Limited

Dear Sirs,

1. This report is issued in accordance with the terms of our engagement letter dated 30th July, 2024. We have examined the attached Restated Ind AS Consolidated Financial Information of Diffusion Engineers Limited (the "Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), comprising:

a. The Restated Consolidated Statement of Assets and Liabilities as at 31st March 2024, 31st March 2023 and, 31st March 2022.

b. The Restated Consolidated Statements of Profit and Loss (including other comprehensive income) for the year ended 31st March 2024, 31st March 2023 and 31st March 2022.

c. The Restated Consolidated Statement of Changes in Equity for the year ended 31st March 2024, 31st March 2023 and 31st March 2022.

d. The Restated Consolidated Cash Flow Statement for the year ended 31st March 2024, 31st March 2023 and 31st March 2022.

e. The Summary Statement of Significant Accounting Policies, and other explanatory information and for the year ended 31st March 2024, 31st March 2023 and 31st March 2022 (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 31st July, 2024, for the purpose of inclusion in the Red Herring Prospectus ("RHP") and the Prospectus (the "Prospectus") prepared by the Management of the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

   i. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

   ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

iii. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

Management's Responsibility for the Restated Consolidated Financial Information

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the RHP and the Prospectus (hereinafter collectively referred to as the "Offer Documents") to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies, Maharashtra in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2.1 to the Restated Consolidated Financial Information. The respective Board of Directors of the Company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information.

   The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

Auditor's Responsibilities

3. 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 on Reports in Company Prospectuses (Revised 2019) and other applicable authoritative pronouncement issued by the Institute of Chartered Accountants of India and pursuant to the requirement of Section 26 of the Companies Act and the SEBI ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibility in relation to your compliance with the Act, SEBI ICDR and the Guidance Note in connection with the proposed IPO.

4. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

5. These Restated Consolidated Financial Information has been prepared by the Company's management from:

a. The Consolidated Financial Statements of the Group as at and for the year ended 31st March 2024 along with comparative audited consolidated financial statements for the year ended 31st March 2023 (the "Consolidated Financial Statements") which have been approved by the Board of Directors at their meeting held on 31st July, 2024.

b. The Consolidated Financial Statements of the Group as at and for the year ended 31st March 2023 along with comparative audited consolidated financial statements for the year ended 31st March 2022 (the "Consolidated Financial Statements") which have been approved by the Board of Directors at their meeting held on 17th August 2023.

c. The Consolidated Financial Statements of the Group as at and for the year ended 31st March 2022 along with comparative audited consolidated financial statements for the year ended 31st March 2021 (the "Consolidated Financial Statements") which have been approved by the Board of Directors at their meeting held on 21st September 2022.

d. The audited special purpose Consolidated Financial Statements as at and for the year ended 31st March 2022 for the year ended 31st March 2021 and for the year ended 31st March 2020, approved by the Board of Directors at their meeting held on 29th June 2023.

6. For the purpose of our examination, we have relied on:

a. Report issued by us dated 17th August, 2023 on the Consolidated Financial Statements of the Group as at and for the year ended 31st March 2023 along with comparative audited consolidated financial statements for the year ended March 31, 2022 as referred in paragraph 5 (a) above;

b. Report issued by us dated 31st August 2023 on the Restated Financial Statements for the years ended 31st March 2023, and 31st March 2022, in connection with the Initial Public Offering of Diffusion Engineers Limited.

c. Report issued by P. R. Bhuta & Co. dated 21st September 2022, on the Consolidated Financial Statements of the Group as at and for the year ended 31st March 2022 along with comparative audited consolidated financial statements for the year ended 31st March 2021 as referred in paragraph 5(b) above;

Opinion

7. Based on our examination and according to the information and explanations given to us we report that the Restated Consolidated Financial Information. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31st March 2024, 31st March 2023, and 31st March 2022 have been prepared in accordance with the Companies Act, ICDR Regulations and the Guidance Notec. There are no qualification in the auditor’s reports which required any adjustments

8. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on respective audited financial statements mentioned in paragraph 7 above

9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

10. 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.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Restriction on Use

12. Our report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Offer Documents, prepared in connection with the proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies 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 PGS & Associates
Chartered Accountants
Firm Registration No.: 0122384W
Premal H Gandhi
Partner
Membership No. 111592
Place: Nagpur
Date: 31st July, 2024
UDIN: 24111592BKBIPP9148

DIFFUSION ENGINEERS LTD

Restated Consolidated Statement of Asset and Liabilites as at March 31, 2024

(All amounts in rupees Million, unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3	905.71	632.76	601.08
(b) Capital work-in-progress	3 (a)	11.05	18.27	-
(c) Intangible assets	4	4.25	2.55	1.72
(d) Financial assets				
(i) Investments	5	291.95	195.03	188.79
(ii) Other financial assets	6	62.09	64.02	58.69
Total non-current assets		**1,275.05**	**912.64**	**850.28**
(2) Current Assets				
(a) Inventories	7	532.12	517.08	443.70
(b) Financial Assets				
(i) Trade receivables	8	666.47	701.35	503.45
(ii) Cash and cash equivalents	9	78.13	45.29	30.61
(iii) Other bank balances	10	-	0.03	5.05
(iv) Loans and advances	11	155.45	50.06	27.84
(v) Others financial assets	12	11.58	33.25	9.13
(c) Other current assets	13	37.05	43.75	25.39
Total current assets		1,480.80	1,390.80	1,045.18
Total Assets		**2,755.85**	**2,303.44**	**1,895.46**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	14	280.21	37.37	37.37
(b) Other equity	15	1,626.83	1,382.60	1,169.11
Equity attributable to equity holders of the Parent		**1,907.04**	**1,419.97**	**1,206.48**
(c) Non-controlling interests	15	**3.14**	**1.69**	**1.88**
Total equity		**1,910.18**	**1,421.67**	**1,208.36**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	-	16.69	28.00
(ii) Other financial liabilities	17	9.99	8.37	6.52
(b) Provisions			-	-
(c) Deferred tax liabilities (net)	18	52.43	37.58	33.60
Total non-current liabilities		**62.43**	**62.63**	**68.12**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	344.35	464.23	217.95
(ii) Trade payables	20			
Total outstanding dues of micro, small and medium enterprises		111.59	31.26	1.32
Total outstanding dues of creditors other than micro enterprises, small and medium enterprises		197.56	216.12	307.21
(iii) Other financial liabilities	21	22.23	7.82	13.72
(b) Provisions	22	9.27	5.74	2.73
(c) Other current liabilities	23	98.24	93.97	76.04
Total current liabilities		**783.24**	**819.15**	**618.97**
Total Equity and liabilities		**2,755.85**	**2,303.44**	**1,895.46**
The accompanying notes form an integral part of the consolidated financial statements	**1-46**			

As per our report of even date
For PGS & Associates
Chartered Accountants
F.R.N. : 0122384W

For and on behalf of the Board of Directors of
Diffusion Engineers Limited

PREMAL H GANDHI
Partner
Membership Number: 111592
Place : Nagpur
UDIN - 24111592BKBIPP9148
Date : 31/07/2024

PRASHANT N. GARG
Chairman & Managing Director
DIN :- 00049106
Place : Nagpur
Date : 31/07/2024

AJAY JAIN
Director
DIN :- 02815416
Place : Nagpur
Date : 31/07/2024

ABHISHEK MEHTA
Chief Financial Officer
Place : Nagpur
Date : 31/07/2024

CHANCHAL JAISWAL
Company Secretary
Place : Nagpur
Date : 31/07/2024

DIFFUSION ENGINEERS LTD

Restated Consolidated Statement of Profit & Loss for the period ended March 31, 2024

(All amounts in rupees Million, unless otherwise stated)

	Particulars	Note No.	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
	Revenue				
I	Revenue from operations	24	2,781.44	2,548.76	2,045.89
II	Other income	25	74.17	37.95	41.58
III	**Total revenue (I+II)**		**2,855.61**	**2,586.72**	**2,087.47**
IV	**Expenses**				
	Cost of materials consumed	26	1,292.27	1,376.33	1,166.25
	Purchases of stock-in-trade	27	185.55	128.09	82.07
	Changes in inventories of finished goods and work-in-progress	28	(9.50)	(28.26)	(77.72)
	Manufacturing expenses	29	388.18	328.62	264.51
	Employee benefit expenses	30	360.56	307.60	268.96
	Finance costs	31	17.55	22.95	13.83
	Depreciation and amortization expenses	3 & 4	45.49	38.42	41.64
	Other expenses	32	175.70	157.61	116.92
	Total expenses (IV)		**2,455.81**	**2,331.36**	**1,876.47**
V	**Profit/(loss) before Exceptional Items and Tax (III-IV)**		**399.80**	**255.36**	**210.99**
VI	Exceptional Items	**33**	**2.57**		
VII	**Profit before Tax and share of profit / (loss) of associates and joint ventures accounted for using the equity method (V-VI)**		**397.23**	**255.36**	**210.99**
VIII	Share of profit / (loss) of associates and joint ventures		13.60	31.24	8.75
IX	**Profit before tax (VII+VIII)**		**410.83**	**286.60**	**219.75**
X	**Tax expenses**				
	- Current tax		87.86	59.34	49.01
	(Excess)/short provision of tax relating of previous years		-	1.83	-
	- Deferred tax		14.94	3.98	0.28
	Total tax expenses		**102.80**	**65.15**	**49.29**
XI	**Net profit for the year (IX-X)**		**308.03**	**221.45**	**170.46**
XII	**Other comprehensive income**				
	(i) Items that will not be reclassified subsequently to profit or loss				
	Remeasurements of the defined benefit plans		-1.99	0.20	(0.89)
	Income tax effect on above		0.45	(0.05)	0.22
	(ii) Items that will be reclassified to profit or loss in subsequent periods				
	Foreign currency translation of foreign operations		-2.13	2.92	0.63
	Other comprehensive income for the year, net of tax		**(3.67)**	**3.07**	**(0.03)**
XIII	**Total comprehensive income / (loss) for the period (XI+XII)**		**304.37**	**224.52**	**170.42**
	Profit attributable to:				
	Owners of the Parent		306.59	221.64	170.24
	Non-Controlling Interest		1.45	(0.18)	0.21
	Other Comprehensive Income attributable to:				
	Owners of the Parent		(3.63)	3.03	(0.03)
	Non-Controlling Interest		(0.04)	0.03	(0.00)
	Total Comprehensive Income attributable to:				
	Owners of the Parent		302.96	224.67	170.21
	Non-Controlling Interest		1.41	(0.15)	0.21
	Earnings per equity share				
	Earnings per equity share [nominal value of share Rs. 10/-]				
	Basic		10.94	7.91	6.08
	Diluted		10.94	7.91	6.08

Significant accounting policies and notes to the Ind AS financial statements
The explanatory notes referred to above form an integral part of the Ind AS financial statements

As per our report of even date
For PGS & Associates
Chartered Accountants
F.R.N. : 0122384W

For and on behalf of the Board of Directors of
Diffusion Engineers Limited

PREMAL H GANDHI
Partner
Membership Number: 111592
Place : Nagpur
UDIN - 24111592BKBIPP9148
Date : 31/07/2024

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Place : Nagpur
Date : 31/07/2024

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Director
DIN :- 02815416
Place : Nagpur
Date : 31/07/2024

ABHISHEK MEHTA
Chief Financial Officer
Place : Nagpur
Date : 31/07/2024

CHANCHAL JAISWAL
Company Secretary
Place : Nagpur
Date : 31/07/2024

DIFFUSION ENGINEERS LTD

Restated Consolidated Cash Flow Statement for the year ended March **31, 2024**

(All amounts in rupees Million, unless otherwise stated) -

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
A	**Cash flows from operating activities**			
	Profit /(loss) before tax	410.83	286.60	219.75
	Adjustments:			
	Depreciation and amortisation	45.49	38.42	41.64
	Bad Debts & Write Off	9.56	3.88	1.39
	Gain / (loss) on remeasurements of the defined employee benefit plans	(1.54)	0.15	(0.67)
	Net (gain)/loss on financial instruments at fair value through profit or loss	(29.43)	10.33	(6.97)
	Liabilities written-back	-	-	(0.25)
	Interest and Finance Charges	17.55	22.95	13.83
	Interest Income	(4.27)	(2.46)	(3.07)
	Share of profit / (loss) of associates and joint ventures	13.60	31.24	8.75
	Unrealised exchange (gain)/loss	(2.13)	2.92	0.63
	Exceptional Item	2.57		
	Operating cash flows before working capital changes and other assets	**462.24**	**394.01**	**275.04**
	(Increase) / decrease in inventories	(15.04)	(73.38)	(148.41)
	Decrease/ (increase) in Trade and Other Receivables	(60.62)	(253.12)	(78.17)
	(Decrease) / increase in other current assets	6.70	(18.35)	(4.22)
	(Decrease) / increase in Trade and Other Payables	77.83	(60.18)	108.59
	(Decrease) / increase in other current liabilities	19.12	17.94	0.28
	(Decrease) / increase in other current provisions	3.53	3.01	0.55
	Cash generated from operations	**493.77**	**9.89**	**153.67**
	Income taxes refund / (paid), net	(102.80)	(57.26)	(43.17)
	Net Cash Flow From/(Used In) Operating Activities (A)	**390.97**	**(47.37)**	**110.51**
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment	(319.78)	(72.54)	(113.41)
	Purchase of intangible assets	(1.70)	(1.25)	
	Purchase of CWIP	7.22	(18.27)	-
	Disposal of assets	1.33	2.86	38.08
	Non Current investment	(81.08)	(47.81)	(65.71)
	Interest Income	4.27	2.46	3.07
	(Increase)/Decrease in bank balances not considered as cash and cash equivalent (net)	4.13	0.81	(14.04)
	Net Cash Flow From/(Used In) Investing Activities (B)	**(385.61)**	**(133.73)**	**(152.02)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long-term borrowings	(16.70)	(11.31)	(27.65)
	Proceeds from short-term borrowings(Net)	(119.88)	246.28	76.70
	Finance Cost paid	(17.55)	(22.95)	(13.82)
	Dividend Paid	(18.22)	(16.24)	(9.90)
	Proceeds from Issue	202.37		
	Issue Expenses	(2.57)		
	Net Cash Flow From/(Used In) Financing Activities (C)	**27.47**	**195.78**	**25.33**
	Net increase / decrease in cash and cash equivalents	32.83	14.67	(16.18)
	Cash and cash equivalents at the beginning of the period	45.29	30.61	46.79
	Cash & Cash Equivalents at the End of the Period(A+B+C) (refer Note 9)	**78.13**	**45.29**	**30.61**

As per our report of even date
For PGS & Associates
Chartered Accountants
F.R.N. : 0122384W

For and on behalf of the Board of Directors of
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Place : Nagpur
Date : 31/07/2024

CHANCHAL JAISWAL
Company Secretary
Place : Nagpur
Date : 31/07/2024

1 Corporate Information:

We are engaged in the business of manufacturing welding consumables, wear plates and wear parts and heavy engineering machinery for core industries. With over four decades of experience, our Company is dedicated to providing specialized repairs and reconditioning services for heavy machinery and equipment.Additionally, we are also involved in trading of anti-wear powders and welding and cutting machinery. We provide a super conditioning process at our manufacturing facilities, a surface treatment solution for machine components that enhances wear resistance, eliminates stress and improves their repairability ultimately extending their lifespan and reducing production costs. We have developed a synergistic system of forward integration whereby we manufacture special purpose electrodes and flux cored wires which are utilized for manufacturing wear resistance plates (commonly known as wear plates).

2 Basis of preparation of financial statements and significant accounting policies:

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

The consolidated financial statements had been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) convention on accural basis upto 31.03.2022. As the company intends to raise the funds from Security Market, these financial statements have been recasted from 01.04.2021 and prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act for the purpose of preparation of Red Herring Prospectus.

Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, 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 Group 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. Fair value for measurement and disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

•Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
•Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

•Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.
Basis of consolidation
Subsidiaries

These Consolidated financial statements are prepared in accordance with Ind AS on "Consolidated Financial Statements" (Ind AS 110), specified under Section 133 of the Act.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated financial statements from the date on which control commences until the date on which control ceases. Subsidiaries considered in the Consolidated financial statements as below.

		FY 2023-24		FY 2022-23		FY 2021-22	
Name	**Country of Incorporation**	**No of shares**	**% of Holding**	**No of shares**	**% of Holding**	**No of shares**	**% of Holding**
Subsidiaries :-							
Indian							
1.Diffusion super conditioning services Pvt Ltd	India	3760	98.95	3760	98.95	3760	98.95
2.Nowelco Industries Pvt Ltd	India	385511	66.95	385511	66.95	385511	66.95
3.Diffusion Hernon Adhesive & Sealant Pvt Ltd	India	95000	95	95000	95	95000	95
Foreign							
1.Diffusion engineers Singapore Pte. Ltd	Singapore	250217	100	250217	100	250217	100
2. Diffusion Wear Solutions Philippines Inc*	Philippines	9000000	100	9000000	100	9000000	100
3. Diffusion Eurasia Mühendislik Sanayi Ve Ticaret Anonim Sirketi **	Turkey	-	-	-	-	-	-
Foreign Joint Venture:-							
1. LSN Diffusion Ltd	United Kingdome	754450	21.56	754450	21.56	754450	21.56
Foreign Associates :-							
1. Mecdiff Bhd*	Malaysia	300000	30	300000	30	300000	30

**Share held by Diffusion Engineers Singapore Pte.Ltd*

*** The company was incorporated on 16/02/2024, and company was allowed to transfer subscriber capital within 24 months from the date of incorporation. The money for subscription was remitted on May 21, 2024. Thus, consolidation was not required for FY 2023- 24*

Non-controlling interest (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

2.2 Basis of Measurement

These group financial statements have been prepared in Indian Rupee which is the functional currency of the Holding Company. These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below.

2.3 Use of judgments, estimates and assumptions

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.4 Property, plant and equipment

Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and accumulated impairment loss, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any discounts and rebates are deducted in arriving at the purchase price.

Borrowing costs directly attributable to the construction or acquisition of a qualifying asset up to completion or acquisition are capitalized as part of the cost. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as capital work-in-progress. Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under "Other non-current assets".

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2021 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/expenses in the statement of profit and loss.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act 2013 except in the cases mentioned below where the management based on the technical evaluation have estimated the life to be lower than the life prescribed in schedule II.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.Depreciation is also not recorded for Land.

2.5 Intangible assets

Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Group, it is probable that the future economic benefits that are attributable to the asset will flow to the Group and cost of the asset can be reliably measured.

Intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses (if any).

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Amortisation is not recorded on intangible assets under development until development is complete and the asset is ready for its intended use.

The intangible asset are amortised over the estimated useful lives as given below: -

Computer Software : 3 years

Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2021 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.6 Inventories

Raw materials and traded goods are valued at lower of cost or net realizable value. The costs of these items of inventory comprises of cost of purchase and other incidental costs incurred to bring the inventories to their present location and condition. However, raw materials are written down below cost only when the finished product to which they belong are written down below cost and the replacement cost of that raw material is lower than cost. Cost of raw materials and traded goods are determined on “Weighted Average” /"FIFO" basis.

Work-in-process and Finished goods are valued at lower of cost or net realizable value. The cost includes direct materials, labour, other direct costs and related production overheads based on normal operating capacity. Cost is determined on “Weighted Average” /"FIFO" basis.

2.7 Foreign currencies transactions
Transactions and balances

In preparing the financial statements of each individual Company entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

2.8 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized in the cost of that asset. Qualifying assets are those assets which necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised in the year in which they are incurred.

2.9 Current and Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

All assets and liabilities are classified into current and non-current.
An asset is treated as current when it is:

It is expected to be realised in or is intended for sale or consumption in the Group normal operating cycle
Held primarily for the purpose of trading
It is expected to be realised within 12 months after the reporting date; or

It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is current when:
It is expected to be settled in the Group normal operating cycle;
It is held primarily for the purpose of being traded;
It is due to be settled within 12 months after the reporting date; or

The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2.10 Investment

Current investments are carried at lower of cost and fair value. Non-current investments are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary.

Investments in associates and joint venture

The Group has elected to recognise its investments in associate and joint venture companies at cost in accordance with the option available in Ind AS 27, Separate Financial Statements.

2.11 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

2.12 Lease

The Group, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

For short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term.

2.13 Income tax

Income tax expense comprises current tax and deferred tax. Income tax expenses are recognised in statement of profit or loss except to the extent that it relates to items recognized in other comprehensive income (OCI).

Current tax

Current tax is the tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous year. It is measured using tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets/liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax assets (if any) are recognised only to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets/liabilities are reviewed at each balance sheet date and are recognised/ reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

2.14 Provisions

A Provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a 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 the time value of money is material)

2.15 Contingent Liabilities

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by the future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets

Contingent assets are not recognised in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and , if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.16 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Financial assets include cash and cash equivalents, trade and other receivables, investments in securities and other eligible current and non-current assets.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under one of the following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

Financial assets at amortised cost: At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial assets at fair value through other comprehensive income: At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the Effective Interest Rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

Financial assets at fair value through profit or loss: At the date of initial recognition, financial assets are held for trading, or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Investment in Equity shares of associates and joint venture are valued at cost.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

The Group assesses impairment based on the expected credit losses (ECL) model to all its financial assets measured at amortised cost.

(b) Financial liabilities

Financial liabilities include long-term and short-term loans and borrowings, trade and other payables and other eligible current and non-current liabilities.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and other payables, net of directly attributable transaction costs. After initial recognition, financial liabilities are classified under one of the following two categories:

Financial liabilities at amortised cost: After initial recognition, such financial liabilities are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial liability. The EIR amortisation is included in finance expense in the profit or loss.

Financial liabilities at fair value through profit or loss: which are designated as such on initial recognition, or which are held for trading. Fair value gains / losses attributable to changes in own credit risk is recognised in OCI. These gains / losses are not subsequently transferred to Statement of Profit and Loss. All other changes in fair value of such liabilities are recognised in the Statement of Profit and Loss.

The Group derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

2.17 Revenue Recognition

Revenue from contracts with customer

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods & service tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts if any.

Rental income

Rental income from investment property is recognised as part of revenue from operations in profit or loss on a straight-line basis over the term of the lease.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Receipts from insurance claims are accounted after the same is approved by the insurance company.

2.18 Earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

2.2 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and highly liquid short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.21 Statement of Cash Flows

Statement of Cash flows is reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.22 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

2.23 Shareholders Of Diffusion Engineers Limited has approved bonus of 1:6 in the EGM dated 18th Nov 2023 and allotment made vide Board Meeting dated 29th Nov 2023

Total No of shares	3.73
issue	0.26
current share	4.00
Bonus 1:6	24.01
Total Shares After Bonus Issue	**28.02**

Note 3 and 3a
Property, plant and equipment

Particulars	Land Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total	Capital work in progress (CWIP)	Total
As at 31 March 2021	**86.73**	**261.14**	**251.78**	**8.59**	**20.01**	**4.99**	**2.61**	**635.84**	**-**	**-**
Additions	-	10.79	95.56	0.42	3.08	2.13	1.26	113.25	-	-
Sales/Disposals/Adjustme	-	22.08	14.98	-	0.96	-	0.09	38.11	-	-
Adjustments	-	0.01	(0.15)			0.14	0.03	0.03		
As at 31 March 2022	**86.73**	**249.86**	**332.22**	**9.01**	**22.13**	**7.26**	**3.81**	**711.02**	**-**	**-**
Additions	-	5.84	31.95	4.22	13.65	15.12	1.76	72.54	18.27	18.27
Sales/Disposals/Adjustments			2.84				0.02	2.86	-	-
As at 31 March 2023	**86.73**	**255.70**	**361.33**	**13.22**	**35.78**	**22.39**	**5.55**	**780.70**	**18.27**	**18.27**
Additions	**229.41**	**7.99**	**71.21**	**2.63**	**4.64**	**0.94**	**2.04**	318.88	**11.66**	11.66
Sales/Disposals/Adjustments			**0.57**		**0.35**	**-**	**0.41**	1.33	**18.88**	18.88
As at 31 March 2024	**316.14**	**263.70**	**431.97**	**15.85**	**40.07**	**23.33**	**7.18**	**1,098.24**	**11.05**	**11.05**
Accumulated depreciation									-	
As at 31 March 2021	-	14.74	42.04	2.07	5.83	2.87	1.36	**68.91**	-	-
Depreciation for the year	-	7.90	28.08	1.21	2.36	0.84	0.63	41.03	-	-
Sales/Disposals/Adjustments			-			-		-	-	-
As at 31 March 2022	-	22.64	70.12	3.28	8.19	3.72	1.98	109.94	-	-
Depreciation for the year	-	8.37	21.20	1.05	2.45	4.16	0.77	38.00	-	-
Sales/Disposals/Adjustments								-	-	-
As at 31 March 2023	-	31.01	91.32	4.33	10.64	7.88	2.75	147.94	-	-
Depreciation for the year		8.30	29.32	1.38	3.98	0.73	1.21	44.91		
Sales/Disposals/Adjustments							0.32	0.32		
As at 31 March 2024	-	39.31	120.64	5.71	14.62	8.61	3.64	192.53	-	-
Net block										
As at 31 March 2022	**86.73**	**227.22**	**262.10**	**5.72**	**13.94**	**3.55**	**1.83**	**601.08**	**-**	**-**
As at 31 March 2023	**86.73**	**224.69**	**270.01**	**8.89**	**25.13**	**14.51**	**2.80**	**632.76**	**18.27**	**18.27**
As at 31 March 2024	**316.14**	**224.39**	**311.33**	**10.15**	**25.45**	**14.72**	**3.54**	**905.71**	**11.05**	**11.05**

Note 3a
Capital work-in-Progress

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Carrying amount at end of year	11.05	18.27	-

Ageing of Capital work-in-progress

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
Less than 1 year	11.05	18.27	
1-2 years		-	-
2-3 years		-	-
More than 3 years		-	-
Total	**11.05**	**18.27**	**-**

DIFFUSION ENGINEERS LTD
Notes forming part of the Ind AS financial statements (continued)
(All amounts in Rupees, unless otherwise stated)

Note 4
Intangible assets

	Technical Know-how	Software	Total
As at 31 March 2021	**0.13**	**2.90**	**3.03**
Additions during the period	-	0.16	0.16
Disposals / Adjustments during the year	-	-	-
As at 31 March 2022	**0.13**	**3.06**	**3.20**
Additions during the period	-	1.25	1.25
Disposals / Adjustments during the year	-	-	-
As at 31 March 2023	**0.13**	**4.31**	**4.44**
Additions during the period		**2.28**	2.28
Disposals / Adjustments during the year			
As at 31 March 2024	**0.13**	**6.59**	**6.72**
Accumulated amortisation:			
As at 31 March 2021	**-**	**0.86**	**0.86**
Charge for the year	-	0.62	0.62
Disposals / Adjustments during the year	-	-	-
As at 31 March 2022	**-**	**1.48**	**1.48**
Charge for the year	-	0.41	0.41
Disposals / Adjustments during the year	-	-	-
As at 31 March 2023	**-**	**1.89**	**1.89**
Charge for the year		**0.58**	**0.58**
Disposals / Adjustments during the year			
As at 31 March 2024	**-**	**0.58**	**2.47**
Carrying amount (net)			
As at 31 March 2022	**0.13**	**1.58**	**1.72**
As at 31 March 2023	**0.13**	**2.42**	**2.55**
As at 31 March 2024	**0.13**	**6.01**	**4.25**

Annexure-5a Investments -Non-current investments
(All amounts in rupees Million, unless otherwise stated)

Name of Script	As at March 31, 2024				As at March 31, 2023				As at March 31, 2022			
	Qty	Cost	MV	Gain/(loss)	Qty	Cost	MV	Gain/(loss)	Qty	Cost	MV	Gain/(loss)
Syndicate Bank	1,700	0.02	0.51	0.50	1,700	0.02	0.04	0.02	1,700	0.02	0.06	0.04
National Stock Exchange of Inda Ltd	3,000	11.70	11.91	0.21								
Total	**4,700**	**12**	**12.42**	**1**	**1,700**	**0.02**	**0.04**	**0.02**	**1,700**	**0.02**	**0.06**	**0.04**

Name of Mutual Fund Scheme	As at March 31, 2024				As at March 31, 2023				As at March 31, 2022			
	Qty	Cost	MV	Gain/(loss)	Qty	Cost	MV	Gain/(loss)	Qty	Cost	MV	Gain/(loss)
Hdfc Balanced Advantage- G					6,975	1.30	2.25	0.95	6,975	1.30	1.99	0.69
Prudential Icici Discovery Fund	35,706	4.67	14.08	9.41	35,706	4.67	9.77	5.10	35,706	4.67	9.05	4.38
Prudential Icici Infrastructure Fund	33,487	1.39	5.53	4.14	33,487	1.39	3.38	1.99	33,487	1.39	2.77	1.38
Icici Pru -Dynamic Plan					12,271	3.11	5.88	2.77	12,271	3.11	5.33	2.22
Franklin India Short Term Income Plan	13	0.07	1.80	1.73	476	2.34	2.81	0.48	7,263	3.11	3.75	0.63
L & T Infrastructure Fund (changed name to HSBC)				-	24,821	0.60	0.64	0.04	2,50,331	3.95	5.90	1.95
Parag Parikh Long Term Equity Fund-Regular Plan- C	3,12,721	19.35	23.41	4.06	3,14,767	13.30	15.58	2.28	1,95,309	7.60	9.66	2.06
Kotak Emerging Equity Fund Growth	33,572	2.58	3.44	0.86	1,27,811	9.00	9.49	0.49	63,031	4.20	4.50	0.30
Axis Focused 25-G Fund					61,905	2.75	2.26	-0.49	50,299	2.25	2.17	-0.08
Invesco India Contra-G Fund	30,534	2.40	3.32	0.92	87,621	6.60	6.68	0.08	40,185	3.00	3.03	0.03
Hdfc Index Fund Nifty 50 Plan Regular Plan Growth	15,561	2.30	3.25	0.95	15,561	2.30	2.51	0.21	-	-	-	-
Kotak Equity opportunities Reg-G	-	-	-	-	28,846	5.78	5.86	0.08	-	-	-	-
Sbi Focused Equity Fund	14,818	3.46	4.34	0.88	13,932	3.15	3.03	-0.12	-	-	-	-
Akara Capital Advisors P L Outward A/C					15	15.00	15.01	0.01	-	-	-	-
Mas Financial Services Limited Mld 29-01-2024					10	10.29	10.49	0.21	-	-	-	-
Edelweiss Infrastructure Yield Plus Ii	350	3.50	3.50	-	50	0.50	0.50	-	-	-	-	-
Avendus Structured Credit Fund II	1	4.71	4.71	-	1	3.57	3.57	-	-	-	-	-
Hdfc Liquid Fund	1,108	4.63	5.21	0.58	1,108	4.63	4.86	0.23	-	-	-	-
Mirae Asset India Equity Fund- (G)[Avendus Wealth]	31,189	2.50	3.01	0.51	1,44,012	10.15	11.04	0.89	1,05,036	7.15	8.13	0.98
Icici Prudential Long Short Fund - Series I	140	0.06	0.07	0.01		-	-	-	1	37.50	38.63	1.13
Hdfc Small Cap Fund- (G) [Avendus Wealth]					34,957	2.60	2.78	0.18	17,566	0.96	1.25	0.29
Icici Prudential Savings Fund- Regular- Growth					140	0.06	0.07	0.00	-	-	-	
Kotak Equity Opportunities Direct-G	56,967	15.60	18.47	2.87								
Parag Parikh Flexi Cap Reg-G	2,06,251	10.20	14.30	4.10								
Quant Flexi Cap Direct-G	36,825	2.50	3.76	1.26								
Nexus Select Trust REIT	49,363	5.05	6.31	1.26								
Kotak Liquid Direct-G	4	0.02	0.02	-								
Parag Parikh Liquid Direct-G	6	0.01	0.01	-								
Quant Overnight Direct-G	833	0.01	0.01	-								
HDFC Index Nifty 50 Direct	26,874	5.00	5.73	0.73								
JM FLEXICAP FUND DIR- GROWTH	2,51,000	19.50	23.80	4.30								
Quant Quantamental Direct-G	6,94,142	12.50	16.07	3.57								
SBI CONTRA FUND DIR GROWTH	42,663	13.10	15.42	2.32								
Franklin Templetion family	1	0.00	0.06	0.06								
SBI LIQUID G	630	2.10	2.36	0.26								
Nivama Wealth Finance Limited	100	10.00	9.57	-0.43								
	18,74,859	**147.22**	**191.55**	**44.34**	**9,44,473**	**103.09**	**118.48**	**15.39**	**11,93,163**	**120.04**	**145.54**	**25.50**

Note 5
Investments (Non-current assets)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Equity instruments			
(i) 'Investment carried at cost (Unquoted)			
(a) '- in Associates			
Investment in Mecdiff	**3.83**	3.57	3.15
(b) '- in Joint venture			
LSN Diffusion Ltd (Fully Paid Equity Shares) - 7,54,450 (March 31, 2022 - 7,54,450 shares,April 01, 2021 - 7,54,450 shares)	84.14	70.79	39.73
	87.97	**74.37**	**42.88**
(ii) 'Investment carried at fair value through Profit and loss Quoted			
(a) Investment in Equity			
'- Canara bank limited 268 (Previous Year 268) Equity shares of Canara Bank (Earlier Syndicate)	**0.51**	0.04	0.06
(b) Investment in mutual funds			
'- Mutual funds	203.45	120.61	145.84
	203.97	**120.65**	**145.90**
Other Investment			
National Saving Certificate	0.01	0.01	0.01
Total (i+ii)	**291.95**	**195.03**	**188.79**

Annxure-5a

(a) **Investments in quoted instruments:**			
Aggregate carrying value	158.93	105.55	120.47
Aggregate market value	203.98	121.02	145.89

Note 6
Other non-current financial assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Security deposit*	**14.56**	12.36	11.24
Fixed deposit with Bank	**47.53**	51.67	47.45
Total	**62.09**	**64.02**	**58.69**

* Security deposit has been shown on transaction cost where terms not ascertainable.

Note 7
Inventories
(Valued at cost, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(At lower of cost and net realisable value)			
Stock in trade			
Raw Materials	262.91	244.81	203.07
Work in Progress	111.89	140.49	132.62
Finished goods & Traded Goods	139.98	107.07	90.20
	514.78	**492.37**	**425.89**
Stock - In - Transit			
Raw Materials	15.15	9.66	5.59
Consumables,Stores and Spare parts	0.89	0.18	0.53
Traded Goods	1.30	14.88	11.69
	17.34	**24.71**	**17.81**
Total	**532.12**	**517.08**	**443.70**

Note 8
Trade Receivables
(Unsecured / secured, considered good unless otherwise stated)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Secured, considered good	-	15.65	16.23
Unsecured, considered good*	669.04	688.14	487.22
Less: Allowance for expected credit loss	2.57	2.44	-
Total	**666.47**	**701.35**	**503.45**
Receivables from related parties (Refer Note 37)	7.78	**1.51**	**0.23**
Receivables from others	658.70	699.84	503.22
	666.47	**701.35**	**503.45**

* There are some cases pending before Hon'ble NCLT court against some parties amounting to Rs 4.8 million. The company will provide necessary treatment in the books as per the directions of Hon'ble NCLT Court.

Trade Receivables ageing schedule as at 31st March 2024

Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables -considered good	562.01	48.27	28.87	9.39	13.22	**661.75**
(ii) Undisputed Trade receivables -considered doubtful	0.28					**0.28**
(iii) Disputed trade receivables considered good			0.00	0.01	7.00	**7.02**
(iv) Disputed trade receivables considered doubtful	-	-	-	-		-
Total						**669.04**
Expected Credit Loss					**-**	**2.57**
Net						**666.47**

Trade Receivables ageing schedule as at 31st March,2023

Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables -considered good	626.56	42.04	14.77	5.56	7.10	**696.02**
(i) Undisputed Trade receivables -considered doubtful	0.11	0.00	0.00	-	1.19	**1.30**
(iii) Disputed trade receivables considered good	-	-	-	-	4.80	**4.80**
(iv) Disputed trade receivables considered doubtful	0.00	-	0.00	0.00	1.68	**1.68**
Total						**703.80**
Expected Credit Loss					**2.44**	**2.44**
Net						**701.35**

Trade Receivables ageing schedule as at 31st March,2022

Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables -considered good	459.43	12.35	7.10	6.57	12.44	**497.90**
(i) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	2.47	**2.47**
(iv) Disputed trade receivables considered doubtful	-	0.68	1.97	0.10	0.33	**3.08**
Net						**503.45**

Note 9
Cash and bank balances

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Cash and Cash Equivalents			
Cash on hand	2.01	0.92	0.52
Balance with scheduled banks			
in current accounts	55.41	32.23	28.05
Fixed deposit with maturity less than 3 months	20.71	12.13	2.04
	78.13	**45.29**	**30.61**

Note 10
Other bank balances

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Dividend accounts	-	0.03	5.05
Total	**-**	**0.03**	**5.05**

Note 11
Loans and Advances

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Loans and advances to related parties	0.08	-	-
Loan to employees	4.61	3.45	3.60
Advance to others	150.15	39.76	19.76
Advance Tax	0.62	-	3.90
Deposit with sales tax department	-	0.69	0.03
Deposits - Rent	-	0.04	0.04
Advance To Supplier	-	5.74	0.51
Staff Advance	-	0.37	0.01
Total	**155.45**	**50.06**	**27.84**

Note 12
Others Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Deposits recoverable	11.47	10.53	9.13
Mutual Funds Recevaibles	0.00	22.73	-
Interest receivable	0.04		
MAT credit	0.08		
Total	11.58	33.25	9.13

Note 13
Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	0.78	0.40	0.60
Preliminary Expenses	0.04	0.04	0.08
Balances with government authorities			
GST receivable	4.00	3.92	1.58
Tds receivable	0.46	-	-
Export and other incentive receivable	29.04	31.82	18.19
Advance income tax	0.35	1.53	1.55
Custom duty paid	0.10	0.03	1.59
Vat and sales tax	0.32	1.53	1.80
Defined benefit plan- gratuity fund	1.57	4.46	-
Deposite recoverable	0.39	-	-
Total	**37.05**	**43.75**	**25.39**

14. Authorised, issued, subscribed and paid-up share capital

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Authorised share capital			
Equity share capital			
4,00,00,000 (Previous Years 50,00,000) equity shares of Rs.10 each	400.00	50.00	50.00
	400.00	50.00	50.00
Issued, subscribed and paid-up share capital			
Equity share capital			
2,80,21,259 (Previous Years 37,37,467) Equity shares of Rs 10/- each fully paid up	280.21	37.37	37.37
	280.21	**37.37**	**37.37**

Rights, preferences and restrictions attached to the equity shares

The Group has issued only one class of equity shares having a face value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividend in Indian Rupees. The dividend proposed by board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Group, the holder of equity shares will be entitled to receive remaining assets of the Group after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

Details of shares held by each shareholder holding more than 5%

Name of Shareholders	As at 31st March 2024		As at 31st March 2023		As at 31st March 2022	
	% held	Nos	% held	Nos	% held	Nos
Equity shares with voting rights						
NK Garg (HUF)	7.44%	2085279	7.97%	2,97,897	7.97%	2,97,897
Mr Prashant Garg	37.04%	10379551	38.97%	14,56,593	38.97%	14,56,593
Dr Nitin Garg	24.54%	6876254	26.28%	9,82,322	26.28%	9,82,322
Mrs Chitra Garg	21.88%	6130971	22.73%	8,49,653	22.73%	8,49,653

Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Equity shares			
Outstanding at the beginning of the year	3737467	37,37,467	37,37,467
Add: Shares issued during the year	24283792	-	-
Outstanding at the end of the year	2,80,21,259	37,37,467	37,37,467

Number of shares held by promoters:

Name of Shareholders	As at 31st March 2024		As at 31st March 2023		As at 31st March 2022	
	% held	Nos	% held	Nos	% held	Nos
Mr Prashant Garg	37.04%	10379551	38.97%	14,56,593	38.97%	14,56,593
Dr Nitin Garg	24.54%	6876254	26.28%	9,82,322	26.28%	9,82,322
Mrs Chitra Garg	21.88%	6130971	22.73%	8,49,653	22.73%	8,49,653
Nitin and Renuka Garg	1.88%	5,26,967	2.01%	75,281	2.01%	75,281
Prashant and Neelu Garg	0.23%	65,548	0.25%	9,364	0.25%	9,364

15. Restated Consolidated Statement of Change in Equity for the period ended 31st March, 2024

A EQUITY SHARE CAPITAL

	No. of Shares	Amount (Rs. in million)
Balance as at March 31, 2021	**37,37,467**	**37.37**
Add: Issue during the year	-	-
Balance as at March 31, 2022	**37,37,467**	**37.37**
Add: Issue during the year	-	-
Balance as at March 31, 2023	**37,37,467**	**37.37**
Add: Issue during the year	**2,42,83,792**	**242.84**
Balance as at March 31, 2024	**2,80,21,259**	**280.21**

B OTHER EQUITY

(All amounts in rupees Million, unless otherwise stated)

Particulars	Retained Earnings	Securities Premium	Capital Redemption Reserve	Capital Reserve	Capital Investment Subsidy	General Reserve	Currency translation reserve	Total attributable to the owners of the Company	Non Controlling interests (NCI)	Total
As at 'March 31, 2021	**846.69**	**29.36**	**4.72**	**15.92**	**0.08**	**122.05**	**(4.98)**	**1,013.85**	**1.66**	**1,015.51**
Profit for the year	170.24	-	-	-		-	-	**170.24**	0.21	170.46
Translation Reserve Movement	-	-	-	-	-	-	0.63	**0.63**		0.63
Remeasurement of net defined benefit plan	(0.67)	-	-	-	-	-	-	**(0.67)**		(0.67)
Less: Interim dividend	(7.48)	-	-	-	-	-	-	**(7.48)**		(7.48)
Less: Final dividend	(7.48)	-	-	-	-	-	-	**(7.48)**		(7.48)
Balance as at 31 March 2022	**1,001.32**	**29.36**	**4.72**	**15.92**	**0.08**	**122.05**	**(4.35)**	**1,169.11**	**1.88**	**1,170.98**
Profit for the year	221.64							**221.64**	(0.18)	221.46
Translation Reserve Movement							2.92	**2.92**		2.92
Remeasurement of net defined benefit plan	0.15							**0.15**		0.15
Less: interim dividend	(3.74)							**(3.74)**		(3.74)
Less: final dividend	(7.47)							**(7.47)**		(7.47)
Balance as at 31 March 2023	**1,211.89**	**29.36**	**4.72**	**15.92**	**0.08**	**122.05**	**(1.43)**	**1,382.60**	**1.69**	**1,384.29**
Profit for the year	306.59							**306.59**	1.45	308.03
Translation Reserve Movement							-2.13	**(2.13)**		-2.13
Net change in fair value of Equity investments								**-**		-
Remeasurement of net defined benefit plan	-1.54							**(1.54)**		-1.54
Less: interim dividend	(7.01)							**(7.01)**		(7.01)
Less: final dividend	(11.21)							**(11.21)**		(11.21)
Issue of share		199.71						**199.71**		199.71
Utilised aginst bonus share		-229.07	-4.72			(6.39)		**(240.18)**		(240.18)
Balance as at 31 March 2024	**1,498.72**	**-**	**0.00**	**15.92**	**0.08**	**115.66**	**-3.56**	**1,626.83**	**3.14**	**1,629.97**

Description of Reserves

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Group and are available for distribution to shareholders.

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Comp

Capital Redemption Reserve

In FY 2001-02 Group completed the Buy-Back of 4,72,150 equity shares of Rs. 10/- each at a Premium of Rs. 25.62 per share. The total consideration paid was Rs. 1,68, 17,981/- out of which the Premium of Rs. 1.20,96,481/- was paid by utlising the share premium account. The company has also transferred Rs. 47,21,500/- to the capital redemption reserve account from General Reserve as a consequent to the Buy-Back of shares.

Capital Reserve

The Group started creating the capital reserve for receipt of state subsidy from the year 1992-93.

General reserves

General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

As per our report of even date
For PGS & Associates
Chartered Accountants
F.R.N. : 0122384W

For and on behalf of the Board of Directors of
Diffusion Engineers Limited

PREMAL H GANDHI
Partner
Membership Number: 111592
Place : Nagpur
UDIN - 24111592BKBIPP9148
Date : 31/07/2024

PRASHANT N. GARG
Chairman & Managing Director
DIN :- 00049106
Place : Nagpur
Date : 31/07/2024

AJAY JAIN
Director
DIN :- 02815416
Place : Nagpur
Date : 31/07/2024

ABHISHEK MEHTA
Chief Financial Officer
Place : Nagpur
Date : 31/07/2024

CHANCHAL JAISWAL
Company Secretary
Place : Nagpur
Date : 31/07/2024

Note 16

Borrowings

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Secured			
From HDFC Bank	-	7.34	24.11
From HDFC Bank (FCTL)	-	22.25	25.68
Less: Current maturities of long-term borrowings	-	12.91	21.80
Total	**-**	**16.69**	**28.00**

16.1

a Interest rate of the above loan in range between 7.5% to 9.5%.
Interest rate of the above foreign currency loan is

b Borrowings from banks are secured by way of :-
Secured against Mortgage of Land & Building, book debts & hypothication of Stock.
Vehicle Loans are secured by respective vehicles.

c Amount payable during next 12 months, disclosed under the head "Current Borrowings" (Note No. 19)

d Maturity Profile of the above loan as below :

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Within One year	-	1.29	2.18
Two to Five years		0.73	2.80
	-	2.03	4.97

Note 17

Other Non-current financial liabilities

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Vehicle and laptop Scheme	4.72	2.85	1.51
Deposits from distributors	5.27	5.52	5.01
Total	**9.99**	**8.37**	**6.52**

Note 18

Deferred tax liabilities (net)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Deferred Tax Liability:			
Timing Difference on account of Carrying amount of Property, plant and equipment and Intangible assets in the Financial Statements and the Income Tax Return	53.35	38.45	35.10
Deferred Tax Assets:			
Expense allowable for tax purpose when paid (Section 43B items)	0.92	0.87	1.50
Total	**52.43**	**37.58**	**33.60**

Note 19

Borrowings

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Secured			
Current maturities of long term borrowings	-	12.91	21.80
Loan From Banks	344.35	451.32	196.16
Total	**344.35**	**464.23**	**217.95**

Note 19.1

a **Interest rate of the above loan in range between 7.0% to 10.25%.**

b Borrowings from banks are secured by way of :-
Secured against Mortgage of Land & Building, book debts & hypothication of Stock.

Note 20
Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
total outstanding dues of micro and small and medium enterprises	111.59	31.26	1.32
total outstanding dues of creditors other than micro and small and medium enterprises	197.56	216.12	307.21
	309.14	**247.38**	**308.53**

Note on MSME Discolsure

Outstanding to Micro, Small and Medium Enterprise : March 24: 111.59 Millions, March 23 : Rs.31.26 Million, .The identification of suppliers under "Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the suppliers to the Group. Total outstanding dues of Micro, Small and Medium Enterprises, which were outstanding for more than the stipulated period, are given below:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Principal amount due and remaining unpaid	50.08	3.13	0.13
Interest paid		-	-
Interest due		-	-
Interest accrued and due		-	-
Interest due and remaining unpaid		-	-
	50.08	**3.13**	**0.13**

Trade Payables ageing schedule: As at 31st March,2024

Particulars	Outstanding for following periods from due date of payment					
	Not due	< 1 Year	1-2 years	2-3 years	> 3 years	Total
(I) MSME	61.51	49.01	-	-	-	**110.52**
(ii) Others	-	191.57	2.03	3.68	0.28	**197.55**
(iii) Disputed dues- MSME	-	-	0.60	0.22	0.25	**1.07**
(iv) Disputed dues - Others						-

Trade Payables ageing schedule: As at 31st March,2023

Particulars	Outstanding for following periods from due date of payment					
	Not due	< 1 Year	1-2 years	2-3 years	> 3 years	Total
(I) MSME	-	31.26	-	-	-	**31.26**
(ii) Others	-	198.43	6.05	2.98	5.77	**213.23**
(iii) Disputed dues- MSME	-	2.89	-	-	-	**2.89**
(iv) Disputed dues - Others						-

Trade Payables ageing schedule: As at 31st March,2022

Particulars	Outstanding for following periods from due date of payment					
	Not due	< 1 Year	1-2 years	2-3 years	> 3 years	Total
(I) MSME		1.32	-	-	-	**1.32**
(ii) Others		280.39	16.84	4.75	4.68	**306.65**
(iii) Disputed dues- MSME		0.56				**0.56**
(iv) Disputed dues - Others						-

Note 21
Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Interim Dividend	4.89	0.03	5.05
Liabilities For Expences	16.79	7.79	8.66
Director remuneration	0.19	-	
Security Deposit Received from dealer	0.37	-	
Total	**22.23**	**7.82**	**13.72**

Note 22
Provisions

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Provision for Leave Encashment	3.61	1.55	2.70
Provission for Tax- Net ofAdvance Tax	5.67	4.19	0.03
Total	**9.27**	**5.74**	**2.73**

Note 23
Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Statutory Remittances	31.42	22.75	27.71
Advance Received from customers	36.69	40.71	8.94
Mobile Scheme	0.01	0.01	0.01
Other Credit Balances	29.35	29.64	38.31
Audit Fees Payable	0.02	0.01	0.02
other	0.64	-	0.97
TDS Payable	0.11	0.85	0.08
Total	**98.24**	**93.97**	**76.04**

Note 24
Revenue from opreation

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Sale of Products and Services			
-Manufacturing	1,863.92	1,813.81	1,534.42
-Trading	304.29	201.37	146.58
-Export Sales	260.77	347.22	160.34
	2,428.98	**2,362.40**	**1,841.34**
Job work receipt			
-Local	326.34	151.93	187.76
-Export	2.72	10.85	1.39
	329.06	**162.77**	**189.16**
Other Operating Revenues			
Insurance, Licenses & Packing on Sales	19.78	19.20	12.93
Duty Drawback	3.63	4.39	2.46
	23.41	**23.59**	**15.39**
Total	**2,781.44**	**2,548.76**	**2,045.89**

Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

Revenue disaggregation is as follows

Disaggregation of goods	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Manufactured Products	2,124.69	2,097.30	1,694.76
Trading Products	304.29	201.36	132.59
Job Works	329.06	226.51	203.15
Other Unallocated- Insurance, License sale and Duty Drawback	23.41	23.59	15.39
	2,781.44	**2,548.76**	**2,045.89**
Disaggregation based on geography			
India	2,517.96	2,190.69	1,884.15
Outside India	263.49	358.07	161.74
	2,781.44	**2,548.76**	**2,045.89**

Geographical location is based on the location of customers excluding export incentives
Information about major customers

Customer Type	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Customers under Government Projects	184.25	168.41	37.59
Industrial Customers	2,333.71	2,022.28	1,846.56
Export Customers	263.49	358.07	161.74
Total	**2,781.44**	**2,548.76**	**2,045.89**

Note 25
Other Income

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<u>Other Income</u>			
Interest income			
- on Deposit	4.27	2.66	3.25
- Unwinding of discount on security deposits and others	0.20	0.19	0.19
Commission		-	-
Foreign exchange gain	2.88	3.70	5.36
Profit on Sale of Assets & Investment	20.61	17.88	12.23
Net gain on financial instruments at fair value through profit or lo	29.43	-	6.97
Rent income	0.17	-	-
Liabilities written-back	-	-	0.25
Insurance claim receipt	2.68	0.39	2.36
PSI Incentive	12.79	11.30	7.00
MEIS License income	-	0.83	3.10
Write off	-	0.00	-
- on Deposit	-	-	-
Freight Charges Recovered	0.06	0.13	0.01
Dividend income	0.31	0.39	-
Miscellaneous income	0.77	0.48	0.81
Total	**74.17**	**37.95**	**41.58**

Note 26
Cost of materials consumed

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
As at beginning of the period	254.46	208.66	140.95
Add: Purchases	1,298.97	1,422.14	1,233.95
Less : As at end of the period	261.16	254.46	208.66
Total	**1,292.27**	**1,376.33**	**1,166.25**

Note 27
Purchases of stock-in-trade

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Purchases of stock-in-trade	185.55	128.09	82.07
Total	**185.55**	**128.09**	**82.07**

Note 28
Changes in inventories of finished goods and work-in-progress

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Inventories at the beginning of the year:			
Stock-in-trade	55.57	43.79	42.35
Finished goods	54.33	45.73	27.97
Work-in-progress	140.49	132.62	74.09
	250.40	**222.14**	**144.41**
Inventories at the end of the year:			
Stock-in-trade	87.18	55.57	43.79
Finished goods	60.82	54.33	45.73
Work-in-progress	111.89	140.49	132.62
	259.89	**250.40**	**222.14**
Total	**(9.50)**	**(28.26)**	**(77.72)**

Note 29
Manufacturing expenses

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Consumable, stores and spare parts material Consumed			
Inventories at the beginning of the year:	12.22	12.91	9.93
Add:- Purchases for the year	69.55	55.15	51.51
Inventories at the end of the year:	11.07	12.22	12.91
	70.70	**55.84**	**48.53**
Custom duties expenses	15.91	17.35	12.70
Job work charges	157.27	140.34	109.07
Labour charges	43.45	28.44	18.37
Carriage inward and clearing charges	27.33	23.34	25.81
Power and fuel	61.07	52.03	41.96
Lease rental	7.93	7.93	7.78
Freight On Raw Material	-	2.51	0.02
Lab expenses	-	0.52	-
Wages	2.72	-	
Import Expenses	1.47	-	
Water charges	0.34	0.32	0.29
	317.48	**272.79**	**215.99**
Total	**388.18**	**328.62**	**264.51**

Note 30
Employee benefits expenses

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Salaries, wages and bonus	329.87	272.43	235.19
Post employment benefits			
-Contribution to provident and other funds	16.00	13.83	14.00
-Gratuity and other defined benefit plans	3.35	0.50	5.85
- Labour welfare fund	0.00	0.00	0.00
Staff welfare expenses	3.21	6.36	1.28
Sales Commission to employees	6.08	7.13	4.92
Directors' Commission	2.05	7.35	7.73
	360.56	**307.60**	**268.96**

Note 31
Finance cost

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
-Interest expense on:			
Borrowings	14.13	18.54	9.62
Other borrowing costs	3.43	4.42	4.28
Exchange fluctuation on foreign currency transactions/ translation	-	-	(0.07)
Total	**17.55**	**22.95**	**13.83**

Note 32
Depreciation and amortisation expense

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Depreciation of tangible assets	44.91	38.00	41.03
Amortisation of intangible assets	0.58	0.41	0.62
Total	**45.49**	**38.42**	**41.64**

Note 32
Other expenses

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Rent	9.03	6.17	5.53
Security charges	7.41	5.82	4.77
Rates and taxes	3.34	2.22	6.19
Repairs and maintenance:			
-Machinery	1.71	2.14	0.59
-Vehicles	2.85	3.42	2.87
-Others	4.58	4.93	3.30
Insurance expense	4.88	4.20	3.59
Travelling, communication and conveyance expenses	39.25	34.78	20.38
Directors sitting fees	1.78	0.56	0.56
Commission expenses	6.95	6.53	2.52
Packing, forwarding and distribution expenses	26.22	32.78	29.19
Advertisements and sales promotion expenses	2.07	3.24	1.95
Payment to auditors			
-As auditor - Audit fees	1.51	1.00	0.44
-For other services	0.08	0.38	0.35
-Out of pocket expenses	-	-	-
Bad debts w/off	9.56	3.88	1.39
Legal and professional fees	24.24	17.41	13.89
Loss on Foreign currency transactions	0.34	1.43	0.16
Net loss on financial instruments at fair value through profit or lo:	-	10.33	-
Expenditure on corporate social responsibility	3.00	3.40	3.33
Miscellaneous expenses	26.91	12.99	15.94
Total	**175.70**	**157.61**	**116.92**

Note 33
Exceptional Items

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Share issue Expenses	2.57	-	-

* The company filed for DRHP to raise funds from the public on 27th April 2024 and is currently awaiting necessary regulatory approvals

Note 34
Tax Expense

(Rs. in Million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Current tax (including earlier years)	87.86	59.34	49.01
Deferred tax	14.94	3.98	0.28
Income tax expense reported in the statement of profit and loss	102.80	63.32	49.29
Other comprehensive income			
Deferred tax charge/ (credit) on remeasurements losses of defined benefit plans	0.45	(0.05)	0.22
Total tax expense	**102.34**	**63.37**	**49.07**

The major components of income tax expense and reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 2024 25.17%, and 2023 25.17% respectively and the reported tax expense in the statement of profit or loss are as follows:

Reconciliation of tax expense and the accounting profit multiplied by tax rate			
Accounting profit before income tax	410.83	286.76	219.75
At country's statutory income tax rate of 25.17% 31 March 2024 and 31 March 2023: 25.17%)	103.41	72.18	55.31
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Difference Between Book Depreciation And Tax Depreciation	**3.19**	(4.40)	(0.13)
Net Expenses disallowed/allowed under Income Tax	-1.43	(0.49)	(2.52)
Fair Value Gain as per IND AS	8.65	-	-
Effect of Deferred Tax	11.91	3.98	0.28
Others	(0.29)	(7.91)	(3.87)
	102.34	**63.37**	**49.07**

Note 35
Earning Per Equity Share

(Rs. in Million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Net profit attributable to equity shareholders			
Net profit for the year	302.96	224.67	170.21
Nominal value of equity share Rs.	10.00	10.00	10.00
Total number of equity shares outstanding at the beginning of the year	28.02	3.74	3.74
Total number of equity shares outstanding at the end of the year	28.02	3.74	3.74
Weighted-average number of equity shares (Post Bonus Issue)	28.02	28.02	28.02
Basic	10.81	8.02	6.07
Diluted	10.81	8.02	6.07

Note 36
Employee benefit obligations

Defined contribution plan
The Company makes contribution to statutory provident fund as per Employees Provident Fund and Miscellaneous Provisions Act, 1952. This is a defined contribution plan as per IND-AS 19.

(Rs. in Million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Employers Contribution to Provident Fund/ Pension Fund	13.03	14.32	12.24
Employers Contribution to ESIC	1.71	1.78	1.76
Total	**14.74**	**16.10**	**14.00**

Defined Benefit Plan for Gratuity & for Leave Encashment :

(i)Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.

(ii)Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

(a)Asset Volatility :

(i)The plan liabilities are calculated using a discount rate; if plan assets under perform compared to the discount rate, this will create or increase a deficit.
(ii)As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

(b)Life Expectancy :
The majority of the plan's obligations are to provide benefits for the service life of the member, so increases in service life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in service life expectancy.

The amounts recognized in the Balance Sheet are as follows :

(Rs. in Million)

Particulars	Leave Encashment		
	Year ended 31 March 2024	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Present value of obligation at the end of year	**2.70**	2.70	2.70
Fair value of plan assets at the end of year	-	-	-
Net liability recognized in the Balance Sheet	**2.70**	**2.70**	**2.70**

The amounts recognized in the Balance Sheet are as follows :

(Rs. in Million)

Particulars	Gratuity		
	Year ended 31 March 2024	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Present value of obligation at the end of year	27.72	22.60	19.43
Fair value of plan assets at the end of year	29.29	27.06	21.21
Net liability (asset) recognized in the Balance Sheet	**(1.57)**	**(4.46)**	**(1.78)**

The amounts recognized in the Statement of Profit and Loss are as follows:

(Rs. in Million)

Particulars	Leave Encashment		
	Year ended 31 March 2024	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Current Service Cost	0.59	0.96	0.96
Interest Cost	0.20	0.19	0.15
Past Service Cost		-	-
Benefits Paid	-	-	-
Recognized Net Actuarial (Gain)/ Loss	0.12	(1.15)	(0.57)
Total, included in Employee Benefit Expenses	**0.90**	**0.00**	**0.53**

The amounts recognized in the Statement of Profit and Loss are as follows:

(Rs. in Million)

Particulars	Gratuity		
	Year ended 31 March 2024	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Current Service Cost	2.66	2.17	1.93
Interest Cost	-0.32	(0.34)	(0.22)
Past Service Cost		-	-
Benefits Paid		-	-
Recognized Net Actuarial (Gain)/ Loss		-	-
Total, included in Employee Benefit Expenses	**2.35**	**1.83**	**1.71**

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

(Rs. in Million)

Particulars	Leave Encashment		
	Year ended 31 March 2024	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Defined benefit obligation at beginning of the year	2.70	2.70	2.17
Current Service Cost	0.59	0.96	0.96
Past Service Cost		-	-
Interest Cost	0.20	0.19	0.15
Benefits Paid		-	-
Actuarial (Gain)/ Loss	0.12	(1.15)	(0.57)
Defined benefit obligation at the end of the year	**3.61**	**2.70**	**2.70**

(Rs. in Million)

Particulars	Gratuity		
	Year ended 31 March 2024	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Defined benefit obligation at beginning of the year	22.60	19.43	17.12
Current Service Cost	2.66	2.17	1.93
Past Service Cost		-	-
Interest Cost	1.62	1.34	1.10
Benefits Paid	-1.14	(1.21)	(1.59)
Other (Employee contribution,tax expenses)	-0.08	(0.06)	-
Actuarial (Gain)/ Loss	2.06	0.94	0.87
Defined benefit obligation at the end of the year	**27.72**	**22.60**	**19.43**

(Rs. in Million)

Particulars	Gratuity		
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Defined benefit plan at beginning of the year	27.06	21.21	19.21
Interest income	1.93	1.67	1.32
Employer contribution	1.44	4.32	2.29
Benefits Paid	-1.22	(1.27)	(1.59)
Actuarial Gain/ (Loss)	0.07	1.14	(0.02)
Defined benefit plan at the end of the year	**29.28**	**27.06**	**21.21**

The Financial assumptions used in accounting for the Gratuity Plan & Leave Encashment are set out below:

(Rs. in Million)

Particulars	Leave Encashment		
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
(i) Discount Rate	7.10%	7.35%	7.11%
(ii) Salary Escalation Rate	5.00%	5.00%	5.00%

Particulars	Gratuity		
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
(i) Discount Rate	7.10%	7.35%	7.11%
(ii) Salary Escalation Rate	5.00%	5.00%	5.00%
(iii) Expected Rate of Return on Plan Assets	7.10%	7.35%	7.11%

The Demographic assumptions used in accounting for the gratuity plan & leave encashment are set out below:

(Rs. in Million)

Particulars	Leave Encashment		
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
(i) Retirement Age	58 years	58 years	58 years
(ii) Employee Turnover :			
18-30 Years	1.00%	1.00%	1.00%
30-45 Years	1.00%	1.00%	1.00%
Above 45 Years	1.00%	1.00%	1.00%

(Rs. in Million)

Particulars	Gratuity		
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
(i) Retirement Age	58 years	58 years	58 years
(ii) Employee Turnover :			
18-30 Years	1.00%	1.00%	1.00%
30-45 Years	1.00%	1.00%	1.00%
Above 45 Years	1.00%	1.00%	1.00%

Bifurcation of Present Value of Obligations at the end of the valuation period as per Schedule III of the Companies Act, 2013

(Rs. in Million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
(i) Current liabilities	0.80	2.46	2.06
(ii) Non Current liabilities	2.81	21.04	17.37

The Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Expected Cash flow for following years

Gratuity: (Rs. in Million)

Expected Cash Flow for the Next Ten Years	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Year 1	4.36	2.46	0.53
Year 2	1.61	1.95	0.39
Year 3	2.53	1.32	0.39
Year 4	1.35	2.22	0.32
Year 5	1.62	1.08	0.32
Year 6 to 10	10.98	9.55	1.00

The estimates of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rate is based on prevailing market yields on government securities as at balance sheet date for the estimated term of the obligations.

Note 37
Contingent Liabilities

			(Rs. in Million)
	Year ended 31 March 2024	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Contingent Liabilities not provided for :			
Claims against the company not acknowledge as Debt			
a. Excise duty liability disputed	-	1.66	1.66
	-	**1.66**	**1.66**

Note 38
Related party transactions

38.1 Names of related parties and description of relationship:

Relationship	Name of the related party
Associate of Subsidiary	M/s Mecdiff SD. BHD. (Associate of Diffusion engineers Singapore
Joint Venture	LSN Diffusion Ltd (Joint Venture with Diffusion engineers Ltd)
Key Management Personnel	Mr. Prashant Garg Mr. Ajay Jain Ms. Anita Vijaykar Mr Abhishek Mehta Ms Chanchal Jaiswal
Relatives of Key Managerial Personnel	Mrs. Chitra N Garg N. K. Garg HUF Mr. Nitin N Garg Mrs Neelu Garg Ajay Jain (H.U.F) Mrs Daksha Jain Mrs Disha Mehta
Common Management	Devi Kiran Advisory Services LLP Benvira Forward Algorithms Private Limited

38.2 Details of related party transactions (Rs. in Million)

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Sales			
M/s Mecdiff SD. BHD.	12.58	8.94	7.67
		-	-
Total Credit Notes Towards Commission		-	-
LSN Diffusion Ltd	-	0.57	0.43
		-	-
Purchase		-	-
Benvira Forward Algorithms Private Limited	-	-	-
LSN Diffusion Ltd	42.96	35.37	27.59
		-	-
Reimursement		-	-
Benvira Forward Algorithms Private Limited	0.01	0.29	0.35
LSN Diffusion Ltd	0.09	0.21	-
Mr. Prashant Garg	2.05	2.59	2.32
		-	-
Commission		-	-
Mr. Prashant Garg	-	2.50	4.00
Mr. Ajay Jain	0.35	0.35	0.35
Mrs. Neelu Garg	-	3.50	2.00
Mrs. Renuka Garg	0.35	0.35	0.35
Ms. Anita Vijaykar	0.35	0.35	0.35
Mrs. Chitra N Garg	0.35		
Mr. Anil Trigunyat	0.35		
Debit / (Credit) due to exchange fluctuation		-	-
LSN Diffusion Ltd	0.28	-0.28	0.26
M/s Mecdiff SD. BHD.	0.08	0.11	-0.19
		-	-

Dividend		-	-
Mr. Prashant Garg	6.98	4.37	5.83
Ajay Jain (H.U.F)	0.05	0.03	0.04
Mr. Nitin N Garg	4.67	2.95	4.23
Mrs Daksha Jain	0.00	0.00	0.00
Mrs. Chitra N Garg	4.08	2.55	3.40
Mrs. Neelu Garg	0.03	0.03	0.04
Mrs. Renuka Garg	0.36	0.23	0.30
N. K. Garg HUF	1.42	0.89	1.19
Ms. Anita Vijaykar	0.00	0.00	-
Mr Abhishek Mehta	0.00		
Mr Ajay Jain	0.01		
		-	-
		-	-
Remuneration		-	-
Mr. Prashant Garg	20.00	16.65	13.05
Mrs. Neelu Garg	5.52	1.92	1.64
Sitting Fees to Directors			
Renuka Garg	0.36	0.14	0.14
Ajay Jain	0.40	0.14	0.14
Anil Trigunayat	0.11	-	-
Anita Vijaykar	0.40	0.14	0.14
Prashant garg	0.41	0.14	0.14
Chitra Garg	0.11	-	-
Key Managerial Personnel - Remuneration			
Mr Abhishek Mehta	1.82	-	-
Ms Chanchal Jaiswal	0.60	-	-
Relatives of Key Managerial Personnel - Consultancy			
Mrs Disha Mehta	1.50	-	-
Rent		-	-
Mrs. Chitra N Garg	3.03	2.67	2.47
N. K. Garg HUF	0.22	0.19	0.19
Mr. Prashant Garg	0.73	0.70	0.64
Purchase of land			
Mr. Prashant Garg	13.33		
Mr. Nitin N Garg	13.33		
Mrs. Chitra N Garg	13.33		
	152.58	**88.57**	**79.07**

38.3 Details of outstanding to/from related parties **(Rs. in Million)**

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Trade Payables			
Benvira Forward Algorithms Private Limited		-	0.16
LSN Diffusion Ltd		1.48	1.65
		-	-
Trade receivables		-	-
M/s Mecdiff SD. BHD.	7.78	1.51	0.23
Benvira Forward Algorithms Private Limited	6.28	-	-
Reimbursement Payable		-	-
Mr. Prashant Garg		0.16	-
			-

Note 39
Financial Instruments by Category

A. Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Group

Financial Instruments by category	**Carrying Value**		
	Year ended 31 March 2024	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Financial Assets at Amortised Cost			
Cash and Bank Balances	78.13	45.31	35.66
Investments	158.93	179.78	163.20
Other Financial Assets	73.67	97.27	67.82
Trade Receivables	666.47	701.35	503.45
Loans and advances	155.45	50.06	27.84
Total	**1,132.66**	**1,073.77**	**797.98**
Financial Liabilities at Amortised Cost			
Trade Payables	309.14	247.38	308.53
Borrowings	344.35	480.92	245.95
Other Financial Liabilities	32.23	16.18	20.24
Total	**685.72**	**744.48**	**574.72**

Financial Instruments by category	**Fair Value**		
	Year ended 31 March 2024	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Financial Assets at Amortised Cost			
Cash and Bank Balances	78.13	45.31	35.66
Investments	203.98	195.03	188.79
Other Financial Assets	73.67	97.27	67.82
Trade Receivables	666.47	701.35	503.45
Loans and advances	155.45	50.06	27.84
Total	**1,177.70**	**1,089.03**	**823.56**
Financial Liabilities at Amortised Cost			
Trade Payables	309.14	247.38	308.53
Borrowings	344.35	480.92	245.95
Other Financial Liabilities	32.23	16.18	20.24
Total	**685.72**	**744.48**	**574.72**

The following methods and assumptions were used to estimate the fair values:

Cash and short-term deposits, trade receivables, loans, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3: Inputs based on unobservable market data.

Quantitative Disclosures of Fair Value Measurement Hierarchy for Assets: **(Rs. in Million)**

Particulars	Carrying Amount	Year ended 31 March 2024		
		Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Cash and Bank Balances	78.13	-	-	78.13
Investments	158.93	203.98	-	(45.04)
Other Financial Assets	73.67	-	-	73.67
Trade Receivables	666.47	-	-	666.47
Financial Liabilities at Amortised Cost				
Trade Payables	309.14	-	-	309.14
Borrowings	344.35	-	-	344.35
Other Financial Liabilities	32.23	-	-	32.23

Quantitative Disclosures of Fair Value Measurement Hierarchy for Assets: **(Rs. in Million)**

Particulars	Carrying Amount	As at March 31, 2023		
		Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Cash and Bank Balances	45.31	-	-	45.31
Investments	179.78	121.02	-	58.75
Other Financial Assets	97.27	-	-	97.27
Trade Receivables	701.35	-	-	701.35
Loans and advances	50.06			50.06
Financial Liabilities at Amortised Cost				
Trade Payables	247.38	-	-	247.38
Borrowings	480.92	-	-	480.92
Other Financial Liabilities	16.18	-	-	16.18

isclosures of Fair Value Measurement Hierar		**As at March 31, 2022**		
		Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Cash and Bank Balances	35.66	-	-	35.66
Investments	163.20	14.59	-	148.61
Other Financial Assets	67.82	-	-	67.82
Trade Receivables	503.45	-	-	503.45
Loans and advances	27.84		-	27.84
Financial Liabilities at Amortised Cost				
Trade Payables	308.53	-	-	308.53
Borrowings	245.95	-	-	245.95
Other Financial Liabilities	20.24	-	-	20.24

40 Financial Instruments (Contd.)

B. Financial Risk Management

Diffusion engineers limited is exposed primarily to market risk (fluctuation in foreign currency exchange rates & interest rate), credit, liquidity which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment & seeks to mitigate potential adverse effects on the financial performance of the Group.

1. Capital Management :

The Group's capital management objectives are:

(i) The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital employed.

(ii) The Group manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

(iii) The Company uses debt equity ratio as a capital management index and calculates the ratio as the net debt divided by share holders equity. Net debts and shareholders equity are based on the amounts stated in the financial statements.

(iv) **Debt Equity Ratio is as follows:**

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Debt (A)	344.35	480.92	245.95
Equity (B)	1,907.04	1,419.97	1,206.48
Debt Equity Ratio (A/B)	**0.18**	**0.34**	**0.20**

2. Credit Risk :

(i) Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

(ii) Financial instruments that are subject to concentration of credit risk principally consists of trade receivables, investments, derivative financial instruments and other financial assets. None of the financial instruments of the Group results in material concentration of credit risk.

3. Liquidity Risk :

Liquidity Risk Management : Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturities of Borrowings :

The following table details the Group's expected maturity for borrowings :

Exposure to Risk	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Interest bearing borrowings:			
On Demand	344.35	451.32	196.16
Less than 180 Days		10.13	10.90
181-365 Days		2.78	10.90
More than 365 Days		16.69	27.99

4. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

a) Foreign Currency Exchange Rate Risk :

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in AED, US Dollar, Australian Dollar, Great Britain Pound, Euro, JPY against the respective functional currencies of the Group. The Group, as per its risk management policy, evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks & uses derivative instruments primarily to hedge foreign exchange (if required).

Foreign Currency Exposures : -

Particulars	Currency type	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
I. Trade	USD	0.98	1.54	0.80
	EURO	0.04	0.07	0.07
	SGD		0.03	0.01
	AED		-	0.00
	AUD		0.01	-
Total		**1.02**	**1.65**	**0.88**
II. Borrowing balances :	USD		0.27	0.34
Total		**-**	**0.27**	**0.34**
III. Trade payables :	USD	0.30	0.11	0.23
	EUR	0.02	0.22	0.06
Total		**0.32**	**0.33**	**0.29**

Foreign Currency

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Currency	Change in rate	Effect on profit before
Based on YOY change between F23 & F24	USD	+100%	0.68
	USD	-100%	(0.68)
	EUR	+100%	0.02
	EUR	-100%	(0.02)
	SGD	+100%	-
	SGD	-100%	-
	AED	+100%	-
	AED	-100%	-
	AUD	+100%	-
	AUD	-100%	-
March 31, 2023 Based on YOY change between F22&23	USD	+100%	1.16
	USD	-100%	(1.16)
	EUR	+100%	(0.15)
	EUR	-100%	0.15
	SGD	+100%	0.03
	SGD	-100%	(0.03)
	AUD	+100%	0.01
	AUD	-100%	(0.01)
March 31, 2022 Based on YOY change between F22 & F2	USD	+100%	0.23
	USD	-100%	(0.23)
	EUR	+100%	0.01
	EUR	-100%	(0.01)
	SGD	+100%	0.01
	SGD	-100%	(0.01)
	AED	+100%	0.00
	AED	-100%	(0.00)

b) 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 change in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

-

Floating Interest rate exposure :	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Secured Loans :			
Loans repayable taken from Banks:	344.35	480.92	245.95
Total	**344.35**	**480.92**	**245.95**

Interest Rate Sensitivity :

The sensitivity analyses below have been determined based on exposure to interest rate. For variable rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Group's profit before tax is affected through the impact on variable rate borrowings, as follows:

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax(Loss)
As at March 31, 2024	+100	3.44
	-100	(3.44)
As at March 31, 2023	+100	4.81
	-100	(4.81)
As at March 31, 2022	+100	(2.46)
	-100	2.46

Note 41 Additional Information Regarding Subsidiaries as per Schedule III of the Companies Act, 2013

(Rs. in Million)

Name of the Entity	Net Assets		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
F.Y. 2023-24				
a) Parent				
Parent- Diffusion Engineers Ltd.	93.35%	1,783.19	76.36%	232.42
b) Subsidiaries				
Indian				
Diffusion Super-Conditioning Services Pvt. Ltd.	0.55%	10.52	0.81%	2.46
Nowelco Industries Pvt. Ltd.	0.45%	8.58	1.41%	4.29
Diffusion Hernon Adhesive & Sealant Pvt. Ltd.	0.12%	2.22	0.02%	0.05
Foreign				
Diffusion Engineers Singapore Pte. Ltd.	1.15%	21.97	-13.91%	(42.33)
Diffusion Wear Solutions Philippines Inc.	5.87%	112.14	32.02%	97.47
Adjustments arising out of consolidation	-1.49%	(28.43)	3.29%	10.02
Total	**100%**	**1,910.19**	**100%**	**304.37**

Name of the Entity	Net Assets		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
F.Y. 2022-23				
a) Parent				
Parent- Diffusion Engineers Ltd.	95.99%	1,364.66	74.28%	166.79
b) Subsidiaries				
Indian				
Diffusion Super-Conditioning Services Pvt. Ltd.	0.55%	7.82	0.28%	0.63
Nowelco Industries Pvt. Ltd.	0.30%	4.29	-0.18%	(0.40)
Diffusion Hernon Adhesive & Sealant Pvt. Ltd.	0.14%	1.96	0.08%	0.19
Foreign				
Diffusion Engineers Singapore Pte. Ltd.	2.00%	28.38	-0.13%	(0.29)
Diffusion Wear Solutions Philippines Inc.	3.82%	54.28	10.07%	22.61
Adjustments arising out of consolidation	-6.61%	(93.99)	5.52%	12.40
Total	**100%**	**1,421.67**	**100%**	**224.53**
F.Y. 2021-22				
a) Parent				
Parent- Diffusion Engineers Ltd.	100.10%	1,209.55	92.44%	157.60
b) Subsidiaries		-		-
Indian		-		-
Diffusion Super-Conditioning Services Pvt. Ltd.	0.59%	7.18	0.13%	0.22
Nowelco Industries Pvt. Ltd.	0.40%	4.88	0.35%	0.59
Diffusion Hernon Adhesive & Sealant Pvt. Ltd.	0.16%	1.96	0.19%	0.33
Foreign		-		-
Diffusion Engineers Singapore Pte. L	2.19%	26.49	1.23%	2.09
Diffusion Wear Solutions Philippines	2.47%	29.89	0.87%	1.49
Adjustments arising out of consolidat	-5.93%	(71.61)	4.80%	8.18
Total	**100%**	**1,208.36**	**100%**	**170.49**

Note No. 42
Segment reporting

Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chairman and Managing Director (CMD) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has three reportable segments, as described below, which are the Group's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Group's Chairman & Managing Director reviews internal Group management reports periodically. The CMD is designated as the Chief Operating Decision Maker (CODM).

Business Segment	**Description of products/services**
Manufactured Products	Welding Electrodes, Flux Cord Wires, SOP, Diffcor, Wear Plates, etc.
Trading Products	TIG, MIG, Filler Wires, Thermal Spray Powders, Welding Eqipments, etc.
Job Works	Service Welding & Reconditioning Jobs.

Particulars	**Year ended 31 March 2024**	**Year ended 31 March 2023**	**Year ended 31 March 2022**
a) Segment revenue from operations			
Manufactured Products			
Local	1,863.92	2,024.99	1,631.27
Export	237.27	283.48	160.34
Trading Products			
Local	304.29	201.37	132.59
Export	23.5	7.09	-
Job Works			
Local	326.34	215.66	201.76
Export	2.72	10.85	1.39
Gross Segment revenue from operations	**2,758.03**	**2,743.45**	**2,127.35**
Unallocable revenue from operation	23.41	23.58	15.39
Less:- Inter segment		-	-
Manufactured Products		(211.18)	(96.85)
Total Segment revenue from operations	**2,781.44**	**2,555.85**	**2,045.89**
b) Segment profit/(loss) before tax & interest			
Manufactured Products	607.02	353.88	578.68
Trading Products	127.29	145.24	43.23
Job Works	96.67	172.21	173.35
Net segment profit before tax & interest	**830.97**	**671.33**	**795.26**
Reconciliation of segment profit with profit before tax			
Finance Cost	17.55	22.95	13.84
Other unallocated corporate expneses net off	460.59	399.73	603.04
Unallocable income	(23.41)	(37.96)	(41.36)
Profit before tax as per statement of profit and loss	**376.24**	**286.60**	**219.75**

Other Information

j) Segment assets

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Manufactured Products	2,755.85	1,099.34	821.93
Trading Products	66.49	55.57	39.08
Job Works	93.38	78.05	53.67
Total segment assets	**2,915.72**	**1,232.96**	**914.68**
Eliminations / Unallocated	1,280.72	1,070.47	980.76
Total assets	**4,196.44**	**2,303.44**	**1,895.44**
k) Segment Liabilities			
Manufactured Products	256.26	267.20	296.28
Trading Products	1.84	1.92	0.05
Job Works	15.55	16.21	12.20
Total segment liabilities	**273.64**	**285.33**	**308.53**
Eliminations / Unallocated	572.03	596.45	378.56
Total liabilities	**845.67**	**881.78**	**687.10**

Geographical Information

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Segment revenue from external customers			
India	2,517.96	2,261.52	1,884.15
Outside India	263.49	294.34	161.74
Total segment Revenue	**2,781.44**	**2,555.85**	**2,045.89**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Total Assets			
India	4,046.31	2,193.82	1,846.72
Outside India	150.13425	109.62	48.73
Total segment Assets	**4,196.44**	**2,303.44**	**1,895.44**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Total Liabilities			
India	790.39	837.27	678.55
Outside India	55.28	44.51	8.55
Total segment Liabilities	**845.67**	**881.78**	**687.10**

Note 43
Ratio Analysis

Sr No.	Ratio Analysis	Numerator	Denominator	31-Mar-24	31-Mar-23	31-Mar-22	% Variance	Remark
1	Current Ratio	Current Assets	Current Liabilities	1.89	1.70	1.69	11.35%	
2	Debt Equity Ratio	Total borrowings	Sharholder's Equity	0.18	0.34	0.20	-46.68%	Variance is due to repayment of debt and issue of fresh equity
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	33.30	10.93	8.62	204.82%	Variance is due to repayment of debt and increase in profit
4	Return on Equity Ratio	Profit After Tax	Avg. Shareholders Equity	18.52%	16.86%	15.10%	9.81%	
5	Inventory Turnover Ratio	Net Sales	Average Inventory	5.44	5.38	5.65	1.09%	
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	4.18	4.29	4.47	-2.76%	
7	Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	5.58	5.78	5.49	-3.30%	
8	Net Capital Turnover Ratio	Net Sales	Average Working Capital	4.50	5.18	4.99	-13.21%	
9	Net Profit Ratio	Profit After Tax	Net Sales	10.79%	8.56%	8.17%	26.00%	Variance is due to decrease in overall direct and indirect expenditure and increase in operating margin
10	Return on Capital employed	EBIT	Capital Employed	20.63%	18.46%	17.30%	11.76%	
11	Return on Investment	Profit After Tax	Sharholder's Equity	16.08%	15.61%	14.11%	3.00%	

Note- Variance is calculated between Mar'23 and Mar'22 Figures and reasons given thereon.

Explanation :

Total Debt represents Current Borrowings + Non Current Borrowings.
Shareholders Equity represents Equity Share Capital + Other equity
Earnings available for debt service represents Profit Before Tax + Depreciation and Amortizations + Interest on Debt

Debt Service represents Interest on Debt + Scheduled Principal Repayment of Non Current Borrowings
Net Sales represents Domestic Sales + Export Sales + Scrap Sales
Capital Employed represents Total Equity + Borrowings

Note-44
Proposed Dividend
Board of Directors proposes 2.5% Final

Note-45
Other Amendments with respect to Schedule III

The Company does not have any Benami property, where any proceedings have been initiated or pending against the company for holding any Benami property.

The company is not declared as wilful defaulter by any bank or financial Institution or other lender

The Company does not have any transactions with Companies struck off.

The company has filed certain Adjudication/Regularization Applications before the Registrar of Companies, Mumbai.

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.
The Company has not advanced or loaned or invested funds to any other person / entities, including foreign entities (intermediaries) with the understanding that the intermediary shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate
(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Diffusion Eurasia Mühendislik Sanayi Ve Ticaret Anonim Sirketi (DEMSTAS) is a company incorporated in Turkey as a Company on February 16, 2024 registered with the IZMIR Trade Registry Office under Trade Registry number 253826. The registered office of DEMSTAS is situated at Adalet Mah. Anadolu Cad. Megapol Tower No: 4l I Kapi No: 101 Bayrakli/Izmir. Holding was agreed as follows :
Diffusion Engineers Limited - 70%
Gurkhan Gokhan - 30%
Total Share capital proposed was 2,50,000 Turkish Lira and 25% of the same 62,500 turkish Lira was paid by Gokhan Gurcan. Contribution of Diffusion Engineers Limited was to be done within 24 months from the date of registration.
As on 31st March the company had not invested any amount in the said company. On 21st May 2024, company transferred 1,75,000 Turkish Lira in the company as their 70% capital contribution.

Note-46

Previous year's figures have been regrouped / rearranged wherever necessary, to conform to the current year's classification / disclosure.

As per our report of even date
For PGS & Associates
Chartered Accountants
F.R.N. : 0122384W

For and on behalf of the Board of Directors of
Diffusion Engineers Limited

PREMAL H GANDHI
Partner
Membership Number: 111592
Place : Mumbai
UDIN - 24111592BKBIPP9148
Date : 31/07/2024

PRASHANT N. GARG
Chairman & Managing Director
DIN :- 00049106
Place : Nagpur
Date : 31/07/2024

AJAY JAIN
Director
DIN :- 02815416
Place : Mumbai
Date : 31/07/2024

ABHISHEK MEHTA
Chief Financial Office
Place : Nagpur
Date : 31/07/2024

CHANCHAL JAISWAL
Company Secretary
Place : Nagpur
Date : 31/07/2024

OTHER FINANCIAL INFORMATION

Particulars	For the Fiscal 2024	For the Fiscal 2023	For the Fiscal 2022
Basic EPS (in ₹)	10.94	7.91	6.08
Diluted EPS (in ₹)	10.94	7.91	6.08
Return on net worth (%)	18.52%	16.86%	15.10%
Net asset value per equity share (in ₹)	68.06	50.67	43.06
EBITDA (in ₹ million)	473.88	347.97	275.22

Notes: *The ratios have been computed as under:*

1. Basic and diluted EPS: Restated profit for the year of the Company divided by total weighted average number of equity shares outstanding at the end of the year. Basic and diluted EPS are computed in accordance with Ind AS 33 - Earnings per share.

2. Return on Net Worth: Net Profit after tax, as restated, divided by average net-worth, as restated (Equity attributable to the owners of the company, excluding non-controlling interest)

3. Net assets value per share (in ₹): Net asset value per share is calculated by dividing Net Worth as of the end of relevant year/ period divided by the number of equity shares outstanding at the end of the year / period adjusted for the Impact of Bonus issue after end of the year/period but before the date of filing of this Prospectus.

4. EBDITA means Profit before depreciation, finance cost, tax and amortization.

5. Accounting and other ratios are derived from the Restated Consolidated Financial Statements.

6. Our Company have issued six bonus shares of face value ₹ 10 each for every one existing fully paid-up equity share of face value ₹ 10 each on November 29, 2023. The impact of issue of bonus shares are retrospectively considered for the computation of earnings per share as per the requirement of Ind AS 33

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2024, on the basis of the Restated Consolidated Financial Statements, and as adjusted for the Issue. This table should be read in conjunction with "*Risk Factors*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 37, 325 and 371, respectively.

Statement of Capitalization as on March 31, 2024 on consolidated basis:

(in ₹ Million, except ratio)

Particulars	**Pre-Issue**	**Post Issue**
Borrowings		
Short- term	344.35	344.35
Long- term (including current maturities) (A)	-	-
Total Borrowings (B)	344.35	344.35
Shareholder's fund		
Equity Share capital	280.21	374.26
Other Equity	1,626.84	3,112.43
Total Shareholder's fund (C)	1,907.05	3,486.69
Long- term borrowings / equity ratio {(A)/(C)}	-	-
Total borrowings / equity ratio {(B)/(C)}	0.18	0.10

Notes:

(1) The corresponding post IPO 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION 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 Financial Years 2024, 2023 and 2022 including the notes thereto and reports thereon, each included in this Prospectus. Unless otherwise stated, financial information used in this section is derived from the Restated Consolidated Financial Statements.

While we have historically prepared our financial statements in accordance with Indian GAAP, in accordance with applicable law, we have adopted Indian Accounting Standards (Ind AS) with effect from April 01, 2021, with a transition date of April 01, 2021. This section includes a discussion of financial statement for the Financial Years 2024, 2023 and 2022 which were prepared under Ind AS. For the purposes of transition to Ind AS, we have followed the guidance prescribed in "Ind AS 101 - First Time adoption of Indian Accounting Standard". The Restated Consolidated Financial Statements, prepared and presented in accordance with Ind AS and in accordance with the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the "Guidance Note on Reports in Company Prospectus (Revised 2019)" issued by the ICAI.

Ind AS differs in certain material respects from Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which our financial statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS. As a result, the Restated Consolidated Financial Statements may not be comparable to our historical financial statements.

This discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and our financial performance, which are subject to numerous risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements. You should also read "Forward-Looking Statements" and "Risk Factors" on pages 27 and 37, respectively, which discuss a number of factors and contingencies that could affect our business, financial condition and results of operations. Our Financial Year ends on March 31 of each year and accordingly, references to Financial Year, are to the 12-month period ended March 31 of the relevant year.

Unless the context otherwise requires, in this section, references to "we", "us", "our", "the Company" or "our Company" refers to Diffusion Engineers Limited.

Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Assessment of the welding consumables, wear plates and heavy engineering market in India" dated September 2024 (the "CRISIL Report") prepared and issued by CRISIL Limited commissioned by us in connection with the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factor No. 51 – Certain sections of this Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Issue. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate." on page 74. Also see, "Currency Conventions, Currency of Presentation, Use of Financial Information, Industry and Market Data" on page 23.

OVERVIEW

We are engaged in the business of manufacturing welding consumables, wear plates and wear parts and heavy engineering machinery for core industries. With over four decades of experience, our Company is dedicated to providing specialized repairs and reconditioning services for heavy machinery and equipment. Additionally, we are also involved in trading of anti-wear powders and welding and cutting machinery. We provide super conditioning process at our manufacturing facilities, a surface treatment solution for machine components that enhances wear resistance, eliminates stress and improves their repairability ultimately extending their lifespan and reducing production costs. We have developed a synergistic system of forward integration whereby we manufacture special purpose electrodes and flux cored wires which are utilized for manufacturing wear resistance plates (commonly known as wear plates). These wear plates then become an integral part of majority of large industrial equipment which are made in our heavy engineering division and are significant contributor in manufacturing of industrial equipment used in core industries like cement, steel, power, mining, engineering, oil & gas, sugar, etc. This forward integration helps us in achieving efficiency in the production process and gaining competitive advantage, reducing product costs, enhancing supply chain control and reducing our dependency on third-party suppliers for our operations.

Welding consumables market in India is estimated at around Rs 51 billion in fiscal 2024, with fiscal 2027 projections around Rs 64-66 billion. Due to the rise in demand for improved infrastructure, a lot of investment is happening in infrastructure development, such as construction of roads, bridges, ports and airports. The wear plates market in India is estimated at around Rs 22 billion in fiscal 2024 and is expected to grow at a CAGR of 8-9% to ~Rs 28 billion in fiscal 2027. Wear plates are essential part of the industries such as power plants, steel mills, quarrying, cement etc., as these plates protect key components of these industry. As India continues to undergo rapid industrialization, each of these industries would grow and require wear plates to protect their equipment and machinery. India’s heavy engineering capital goods industry is estimated to be Rs 3,100-3,200 billion as of fiscal 2024,and is projected to clock a CAGR of 7.5-8.5% over fiscals 2023-27 to reach Rs 3,800-3,900 billion. Heavy electrical engineering, earthmoving, construction and Mining Machinery, and Process Plant Equipment are the largest segments of the industry. Amongst the players considered for the industry between fiscal 2021-2024, our Company recorded third highest CAGR of 21% for operating income, second highest CAGR of 38% for profit after tax and third highest CAGR of 33% for EBITDA. *(Source: CRISIL Report)*

We focus on alloy and process development, quality and design to tailor-make products as per our customers’ needs. With a team of over 130 qualified engineers deployed across various departments as of February 29, 2024 and decades of experience in welding consumables and wear plates, we possess the expertise to design, develop and manufacture complex and specialized industrial equipment and components for OEMs and end-user industries.

We presently operate from four manufacturing units, out of which Unit I, II and III are located in Nagpur Industrial Area, Hingna, Nagpur – 440 016, Maharashtra and Unit IV is located in Khapri (Uma), Nagpur – 441 501, Maharashtra for processing and manufacturing of our products. Our manufacturing operations are distributed across different units as under:
- Unit I: special purpose welding electrodes;
- Unit II: flux cored wires, wear plates and wear parts through fabrication and machining;
- Unit III: coatings for abrasion and corrosion resistance;
- Unit IV: flux cored wires (since Fiscal 2024), wear plates and heavy engineering machinery.

Each Unit is supported by necessary infrastructure for storage of raw materials, manufacturing of our products, storage of finished goods, together with quality control measures. For further information of our Units, see “*Our Business – Our Units*” on page 257 of this Prospectus. Our manufacturing Units are strategically located in the central part of the country with availability of all modes of transportation and facilitates convenient transportation of our products, sourcing of raw materials and easy access to customers. The equipment which is used for production of our products are owned by our Company.

We invest in R&D activities to create a differentiating factor and sustainability in our welding consumables products vis-à-vis our competitors and to meet our clients' specific requirements. Our dedicated DSIR-approved R&D facility at Unit I is equipped with laboratory infrastructure for various developmental activities, including process refinement, finished products testing and other raw materials analysis. We hold accreditation by the National Accreditation Board for Testing and Calibration Laboratories – ISO/IEC 17025:2017 for General Requirements for the Competence of Testing & Calibration Laboratories. Additionally, we undertake multiple stringent quality checks and hold Environment Management System (EMS) certification by TÜV SÜD South Asia Private Limited, Quality Management System (QMS)-ISO 9001:2015, Occupational Health and Safety Management systems – ISO 45001:2018 and Environment Management System – ISO 14001:2015.

Our Company was incorporated in the year 1982. We initially started trading in welding electrodes for super-conditioning. From the year 1993, we started manufacturing welding electrodes. In the year 1994, we acquired our Unit I for manufacturing welding electrodes. Subsequently, we acquired Unit II as a dedicated unit for manufacturing wear plates and flux cored wires. In the year 2015, we acquired our Unit III for manufacturing coatings for abrasion and corrosion resistances. In the year 2016, we set up and commenced operations at Unit IV for manufacturing heavy engineering equipment. Subsequently, we have also started production of flux cored wires and wear plates from Unit IV for which we have received consent to operate dated July 26. 2024 from MPCB. We also have overseas presence through our Subsidiaries in Singapore, Turkey and Philippines, and Joint Ventures/ Associates in United Kingdom and Malaysia.

Prashant Garg, our Promoter and Managing Director, has been instrumental in steering our Company towards forward integration from manufacturing welding consumables to heavy engineering equipment and adding new product lines to our business. He has paved the way for the concept of total wear solutions.

We intend to expand our portfolio of welding consumables by manufacturing of powders for corrosion and abrasion resistance to be used in welding applications into our product line. For further information, see "*Strategies – Our Business*" on pages 259, respectively.

The following table sets forth a breakdown of our revenue from operations from Domestic and International market in absolute terms and as a percentage of total revenue from operations, for the periods indicated basis the location of the customers:

(₹ in Million, except percentages)

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	(₹)	**(%)**	**(₹)**	**(%)**	**(₹)**	**(%)**
Domestic market	2,517.96	90.53	2,190.69	85.95	1,884.15	92.09
International market	263.49	9.47	358.07	14.05	161.74	7.91
Total	**2,781.44**	**100.00**	**2,548.76**	**100.00**	**2,045.89**	**100.00**

In the last three fiscals, we have exported to Singapore, Uganda, Kenya, Nepal, Malaysia, Philippines, United Arab Emirates, Oman, Sri Lanka, Vietnam, Bangladesh, Tanzania, United Kingdom, Germany, Kuwait, United States of America, Indonesia, Russia, Senegal, Switzerland, Lebanon, Bulgaria, Croatia, Zambia, Nigeria.

The table below provides state-wise break-up of domestic revenue from operations on a restated standalone financial statement basis for the periods indicated below:

(₹ in million, except percentages)

Zone	State	Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Revenue	% of revenue from operations	Revenue	% of revenue from operations	Revenue	% of revenue from operations
West	Goa	0.54	0.02	0.04	0.00	0.05	0.00
	Rajasthan	138.78	5.40	79.89	3.27	79.00	4.04
	Gujarat	232.90	9.06	565	23.15	575.03	29.37
	Dadra Nagar Haveli	-	-	0.88	0.04	1.36	0.07
	Sub-total (A)	**372.22**	**14.48**	**645.81**	**26.46**	**655.44**	**33.48**
South	Andhra Pradesh	63.57	2.47	43.76	1.79	57.68	2.95
	Karnataka	140.16	5.45	15.84	0.65	16.15	0.83
	Kerala	13.12	0.51	6.70	0.27	2.78	0.14
	Pondicherry	1.95	0.08	2.58	0.11	2.36	0.12
	Tamil Nadu	355.18	13.81	518.67	21.25	243.46	12.44
	Telangana	12.40	0.48	15.95	0.65	14.97	0.76
	Sub Total (B)	**586.38**	**22.81**	**603.5**	**24.72**	**337.4**	**17.24**
North	Chandigarh	0.22	0.01	0.05	0.00	7.8	0.4
	Haryana	160.20	9.06	59	2.42	126.11	6.44
	New Delhi	82.41	3.20	71.73	2.94	86.77	4.43
	Himachal Pradesh	5.21	0.20	90.19	3.7	4.61	0.24
	Jammu & Kashmir	8.60	0.33	1.51	0.06	1.91	0.1
	Punjab	21.39	0.83	12.11	0.5	22.85	1.17
	Uttar Pradesh	126.28	4.91	51.05	2.09	63.05	3.22
	Uttarakhand	2.97	0.12	1.76	0.07	2.31	0.12
	Sub-total (C)	**407.27**	**15.84**	**287.4**	**11.78**	**315.41**	**16.12**
East	Assam	7.52	0.29	2.56	0.11	0.95	0.05
	Bihar	8.20	0.32	8.87	0.36	18.38	0.94
	Chhattisgarh	38.14	1.48	42.14	1.73	23.1	1.18
	Jharkhand	58.70	2.28	101.63	4.16	54.12	2.76
	Meghalaya	10.55	0.41	0.11	0.00	0.08	0.00
	Odisha	147.39	5.73	113.13	4.63	97.85	5.00
	West Bengal	109.78	4.27	85.25	3.49	58.51	2.99
	Sub-total (D)	**380.26**	**14.79**	**353.69**	**14.48**	**252.99**	**12.92**
Central	Madhya Pradesh	43.87	1.71	38.52	1.58	69.48	3.55
	Maharashtra	517.76	20.14	217.48	8.91	165.12	8.43

	Sub-total (E)	**561.63**	**21.84**	**256.00**	**10.49**	**234.6**	**11.98**
Total (A+B+C+D+E)		**2,307.76**	**89.75**	**2,146.40**	**87.94**	**1,795.84**	**91.74**

The following table sets forth our industry-wise revenues generated from the sale of products on restated standalone financial statement for the periods indicated.

(₹ in Million, except percentages)

End-use segment	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(₹)	(%)	(₹)	(%)	(₹)	(%)
Cement	942.59	36.66%	747.09	30.61%	719.13	36.74%
Engineering	357.93	13.92%	262.36	10.75%	145.50	7.43%
Power	188.02	7.31%	325.82	13.35%	291.76	14.90%
Steel	332.12	12.92%	291.19	11.93%	213.35	10.90%
Sugar	114.97	4.47%	104.00	4.26%	91.60	4.68%
Others(1)	635.63	24.72%	710.24	29.10%	496.24	25.35%
Total	**2,571.26**	**100.00%**	**2,440.70**	**100.00%**	**1,957.58**	**100.00%**

(1) Others includes sales to other sectors such as defense, glass, mining, paper, railways and also sales through our distributors, both in domestic and overseas market.

The table below sets forth certain key operational and financial metrics for the periods indicated:

(₹ in million, except percentages)

Particulars	Fiscal		
	2024	**2023**	**2022**
Financial KPIs			
Revenue from operations	2,781.44	2,548.76	2,045.89
Other Income	74.17	37.95	41.58
EBITDA	473.88	347.97	275.22
EBITDA margin	17.04%	13.65%	13.45%
Restated profit for the year	308.04	221.45	170.46
Restated profit for the year as % of Total Revenue (PAT margin)	10.79%	8.56%	8.17%
Average Capital employed	2,076.14	1,676.66	1,350.28
ROCE (%)	20.63%	18.46%	17.30%
ROE (%)	18.52%	16.86%	15.10%
Debt-to-Equity ratio	0.18	0.34	0.20
Interest Coverage Ratio	26.99	15.16	19.90
Current Ratio	1.89	1.70	1.69
Net Capital Turnover Ratio	4.50	5.18	4.99
Operational KPIs			
Revenue per sales person	17.72	17.10	13.82
Revenue per order of Wear Plates and Job Work	0.59	0.59	0.44
Revenue per order of Heavy Engineering Division	1.80	2.99	3.37

Notes:

a) *Revenue from Operations means the Revenue from Operations as appearing in the Restated Consolidated Financial Statements.*
b) *EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations. EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.*
c) *Restated Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by our total revenue.*
d) *Average Capital employed is calculated as average of opening and closing Net worth and total debt during the period.*
e) *RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by average capital employed. Average Capital employed is calculated as average of opening and closing Net worth and total debt during the period.*
f) *Return on equity (RoE) is equal to profit for the year divided by the average total equity and is expressed as a percentage.*
g) *Debt to equity ratio is calculated by dividing the debt (i.e., borrowings (current and non-current) and current maturities of long-term borrowings) by total equity (which includes issued capital and all other equity reserves).*
h) *Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBIT by finance cost.*
i) *Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.*
j) *Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities).*
k) *Revenue per Sales person is total revenue from operation for the fiscals 2024, 2023 and 2022 is ₹2,781.44 million, ₹2,548.76 million and ₹2,045.89 million (on consolidated basis) divided by total strength employees for sales department as of the last day of the relevant period, for the fiscals 2024, 2023 and 2022 is 157 employees, 149 employees and 148 employees respectively, (including employees of subsidiaries) i.e. average sale by an individual.*
l) *Revenue per order of Wear Plates and Job Work is total revenue from operation of Fabrication and Job Work for the fiscals 2024, 2023 and 2022 is ₹ 469.11 million, ₹467.90 million and ₹ 333.50 million respectively of Unit divided by total orders executed for the fiscals 2024, 2023 and 2022 is 790 projects, 794 projects and 760 projects, respectively. This shows the average size per order.*
m) *Revenue per order of Heavy Engineering Division is total revenue from operation of Heavy Engineering Division work for the fiscals 2024, 2023 and 2022 is ₹ 722.73 million, ₹531.34 million and ₹550.11 million, respectively divided by total orders executed for the fiscals 2024, 2023 and 2022 is 401 projects, 178 projects and 163 projects, respectively. This shows the average size per order.*

SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "*Risk Factors*" beginning on page 37 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

We do not have long-term agreements with our suppliers for raw materials

Our purchases of raw materials are concentrated from a few suppliers with our top 10 suppliers contributing of the total purchases of raw materials on restated standalone financial statement are as follows:

Fiscal	Amount (₹ in million)	% of revenue from operations
2024	869.11	31.25
2023	719.94	29.50
2022	603.03	30.80

Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. Our major raw materials include steel plates, mild steel plates, pipes, stainless steel, iron, iron sheets or strips of steel, nickel. We depend on external suppliers for all the raw materials required and typically purchase raw materials on a purchase order basis and place such orders with them in advance based on our requirements. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. The absence of long-term supply contracts subjects us to risks such as price volatility caused by various factors viz. commodity market fluctuations, currency fluctuations, climatic and environmental conditions, transportation cost, changes in domestic as well as international government policies, regulatory changes and trade sanctions. Some part of our raw materials are also imported. China, United Kingdom, Germany, Switzerland, Italy, Spain, Singapore and Hong Kong constitute the countries from where major portion of the raw materials were imported during the last three Fiscal years. As a result, we continue to remain susceptible to the risks arising out of foreign exchange rate fluctuations as well as import duties, which could result in a decline in our operating margins. If we cannot fully offset the increase in raw material prices with increase in the prices for our products, we will experience lower profit margins, which in turn may have a material adverse effect on our results of operations, financial condition and ultimately lead to a liquidity crunch. In the absence of such contracts, we are also exposed to the risk of unavailability of raw materials in desired quantities and qualities, in a timely manner.

Our businesses are dependent on the performance of certain other industries.

We are dependent on the following industries for deriving a major portion our revenues. The following table sets forth revenues generated from the sale of products on restated standalone financial statement from each of the other industries for both of our businesses, for the periods indicated.

End-use segment	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(₹)	(%)	(₹)	(%)	(₹)	(%)
Cement	942.59	36.66%	747.09	30.61%	719.13	36.74%
Engineering	357.93	13.92%	262.36	10.75%	145.50	7.43%
Power	188.02	7.31%	325.82	13.35%	291.76	14.90%
Steel	332.12	12.92%	291.19	11.93%	213.35	10.90%
Sugar	114.97	4.47%	104.00	4.26%	91.60	4.68%
Others[(1)]	635.63	24.72%	710.24	29.10%	496.24	25.35%
Total	**2,571.26**	**100.00%**	**2,440.70**	**100.00%**	**1,957.58**	**100.00%**

The remainder of our revenues are generated from sales to other sectors and also sales through our distributors, both in domestic and overseas market, which may include sales to the aforesaid sectors.

Any slowdown in these sectors or any loss of business from, or any significant reduction in the volume of business with, customers operating in these other industries, if not replaced, could materially and adversely affect our business, financial condition and results of operations. As a result of our dependence on customers in these other industries, we are exposed to fluctuations in the performance of these other industries globally, and in India. These other industries are sensitive to factors such as consumer demand, consumer confidence, disposable income levels and employment levels.

Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.

We sell at our standard terms with payment due before dispatch and conduct our business on the basis of various milestone payments. A small percentage of our sales are to customers on an open credit basis, with standard payment terms of generally between 30 to 90 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit we extend to what we believe is reasonable based on an evaluation of each customer's financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, while we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate.

The table set forth below sets forth our trade receivables and receivable turnover days in the periods indicated as well as bad debts written off and disputed trade receivables – which have significant increase in credit risk.

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in million)	**% of total sales**	**Amount (₹ in million)**	**% of total sales**	**Amount (₹ in million)**	**% of total sales**
Trade Receivables	666.47	23.96%	701.35	27.11%	503.45	24.12%
Bad debts written off	9.56	0.34%	3.88	0.15%	1.39	0.06%
Disputed trade receivables which have significant increase in credit risk	7.02	0.25%	6.48	0.25%	5.55	0.26%

Any increase in our receivable turnover days will negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, results of operations and financial condition.

A significant portion of our domestic sales are derived from the western and southern zone and any adverse developments in this market could adversely affect our business.

Set forth below is certain information on our geography-wise domestic revenue from operations is on restated standalone financial statement for the periods indicated:

Zone	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in million)	**% of total revenue**	**Amount (₹ in million)**	**% of total revenue**	**Amount (₹ in million)**	**% of total revenue**
West	372.22	14.48%	645.80	26.46%	655.44	33.48%
South	586.38	22.81%	603.50	24.73%	337.40	17.24%
North	407.27	15.84%	287.40	11.78%	315.40	16.11%
East	380.26	14.79%	353.70	14.49%	253.00	12.92%
Central	561.63	21.84%	256.00	10.49%	234.60	11.98%
Total	**2,307.76**	**89.75%**	**2,146.40**	**87.94%**	**1,795.84**	**91.74%**

We have historically derived a significant portion of our revenue from sales in the western and southern zone. For the Fiscals 2024, 2023 and 2022 the revenue generated from sales in western and southern zone cumulatively represented 37.29%, 51.19% and 50.72% of our revenue from domestic sales. Accordingly, any materially adverse social, political or economic development, natural calamities, civil disruptions, regulatory developments or changes in the policies of the state or local government in this region could adversely affect our manufacturing and distribution activities, result in modification of our business strategy or require us to incur significant capital expenditure, whichwill in turn have a material adverse effect on our business, financial condition, results of operations, and cash flows. Further, our sales from this region may decline as a result of increased competition, regulatory action, pricing pressures, fluctuations in the demand for or supply of our products or services, or the outbreak of an infectious disease such as COVID-19. Our failure to effectively react to these situations or to successfully introduce new products or services in these markets could adversely affect our business, prospects, results of operations, financial condition, and cash flows. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

Our business and profitability is substantially dependent on the availability and cost of our raw materials

We are engaged in the manufacturing of complex and high precision engineered components, requiring raw materials having certain technical specifications. The tables below provide cost of raw materials and components consumed as a percentage of our revenue from operations as on restated standalone basis for the years/ periods indicated:

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	(₹)	**(%)**	**(₹)**	**(%)**	**(₹)**	**(%)**
Domestic Cost of Raw Materials and Components Consumed	1,342.38	52.21%	1,328.56	54.43%	1,122.45	57.34%
Overseas Cost of Raw Materials and Components Consumed	160.54	6.24%	254.23	10.42%	179.59	9.17%
Total Cost of Raw Materials and Components consumed	**1,502.92**	**58.45%**	**1,582.79**	**64.85%**	**1,302.04**	**66.51%**

We may experience volatility in the cost or availability of raw materials. While our arrangements with customers allow us to seek an upward revision in pricing, our cash flows may still be adversely affected because of any gap in time between the date of procurement of those primary raw materials and date on which we can reset the prices for our customers, to account for the increase in the prices of such raw materials. Our ability to pass through costs or otherwise mitigate these cost increases could adversely affect our business. From time to time, commodity prices may also fall rapidly. If this happens, suppliers may withdraw capacity from the market until prices improve which may cause periodic supply interruptions. If these supply interruptions occur, our costs for procuring our raw materials could increase, and our business, cash flows and results of operations could be adversely affected.

Any increase in prices of raw materials could have an impact on our working capital as we would require additional funds to procure the necessary steel at the higher prices. As a result, we may be required to allocate a larger portion of our working capital towards purchasing raw materials to maintain our production levels. This increased allocation towards purchase can potentially strain our working capital availability.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, under Chapter titled “Financial Information” beginning on page 325 of the Prospectus.

RESULTS OF OPERATIONS

The following table sets forth detailed revenue from operations data from our restated consolidated statement of profit and loss for the Fiscals 2024, 2023 and 2022, the components of which are also expressed as a percentage of total income for such years.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Rs. in Millions	%	Rs. in Millions	%	Rs. in Millions	%
i. Sale of Product and Services:						
Manufactured Products	1,863.92	65.27	1813.81	70.12	1534.42	73.51
Trading	304.29	10.66	201.37	7.78	146.58	7.02
Export Sales	260.77	9.13	347.22	13.42	160.34	7.68
ii. Job work receipts:						
Local	326.34	11.43	151.93	5.87	187.76	8.99
Export	2.72	0.10	10.85	0.42	1.39	0.07
iii. Other Operating Revenues						
Other Operating Revenues	23.41	0.82	23.59	0.91	15.39	0.74
Total Revenue from Operations (i+ii+iii)	**2,781.44**	**97.40**	**2548.76**	**98.53**	**2045.89**	**98.01**

Our Company's revenue from operations increased to ₹ 2,781.44million in Fiscal 2024 from ₹ 2,548.76 million in Fiscal 2023 and ₹ 2,045.89 million in Fiscal 2022. The increase in Fiscal 2024 over Fiscal 2023 is 9.13%, while the growth in revenue from operations in Fiscal 2023 over Fiscal 2022 is 24.58%.

<u>Product wise bifurcation of revenue:</u>

Product Category	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(₹)	(%)	(₹)	(%)	(₹)	(%)
Welding Consumables	780.85	28.07	978.70	38.40	721.94	35.29
Wear plate / Wear consumables	834.23	29.99	756.14	29.67	544.17	26.60
Heavy Engineering Equipment	722.73	25.98	531.34	20.85	550.11	26.89
Trading	233.44	8.39	174.55	6.85	141.36	6.91
Sub-total (A)	**2,571.26**	**92.44**	**2,440.73**	**95.77**	**1,957.58**	**95.69**
Revenue from Subsidiaries						
Welding and Anti-wear Consumables	63.80	2.29	65.85	2.58	50.36	2.46
Wear plate / Wear parts	136.62	4.91	8.80	0.35	25.56	1.25
Trading	9.78	0.35	33.37	1.31	12.39	0.61
Sub-total (B)	**210.20**	**7.56**	**108.02**	**4.24**	**88.31**	**4.32**
Total (A+B)	**2,781.44**	**100.00**	**2,548.76**	**100.00**	**2,045.89**	**100.00**

Geographical area wise bifurcation of revenue:

Product Category	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(₹)	(₹)	(₹)	(%)	(₹)	(%)
Domestic	2,517.95	90.53%	2,190.69	85.95%	1,884.15	92.09%
Exports	263.49	9.47%	358.07	14.05%	161.74	7.91%
Total	**2,781.44**	**100.00%**	**2,548.76**	**100.00%**	**2,045.89**	**100.00%**

The primary offerings of our company include Welding Consumables, Wear plate/Wear consumables, Heavy Engineering Equipment, trading and sale by subsidiaries. Sales for these products amounted to ₹ 2,781.44 million, ₹ 2,548.76 million and ₹ 2,045.89 million for Fiscals 2024, 2023 and 2022, respectively.

As of Fiscal 2024, the revenue from operations is ₹ 2,517.96 million, with domestic sales accounting for 90.53% and export sales for 9.47%. In Fiscal 2023, our company achieved a revenue from operations of ₹2,548.76 million, with domestic sales comprising 85.95% and export sales at 14.05%. In Fiscal 2022, the corresponding figures were 92.09% and 7.91%, generating a revenue from operations of ₹2,045.89 million.

The following table sets forth select financial data from our restated Consolidated statement of profit and loss for the Financials years 2024, 2023 and 2022, the components of which are also expressed as a percentage of total income for such years.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Rs. in Millions	% of Total Income	Rs. in Millions	% of Total Income	Rs. in Millions	% of Total Income
Income						
Revenue from operations	2,781.44	97.40	2548.76	98.53	2045.89	98.01
Other income	74.17	2.60	37.95	1.47	41.58	1.99
Total income	**2,855.61**	**100.00**	**2586.72**	100.00	**2087.47**	100.00
Expenditure						
Cost of materials consumed	1,292.27	45.25	1376.33	53.21	1166.25	55.87
Changes in inventories of finished goods and work- in-progress	185.55	6.50	-28.26	-1.09	-77.72	-3.72
Purchase of stock in trade	-9.50	-0.33	128.09	4.95	82.07	3.93
Manufacturing expenses	388.18	13.59	328.62	12.70	264.51	12.67
Employee benefit expenses	360.56	12.63	307.60	11.89	268.96	12.88
Finance Cost	17.55	0.61	22.95	0.89	13.83	0.66
Depreciation and Amortization	45.49	1.59	38.42	1.49	41.64	1.99
Other Expenses	175.70	6.15	157.61	6.09	116.92	5.60
Total expenses	**2,455.81**	**86.00**	**2331.36**	**90.13**	**1876.47**	**89.89**
Profit/(loss) before Exceptional Items and Tax	399.80	14.00	255.36	9.87%	210.99	10.11%

Exceptional Items	2.57	0.09	-	-	-	-
Share of profit / (loss) of associates and joint ventures	13.60	0.48	31.24	1.21	8.75	0.42
Profit before tax	**410.83**	**14.39**	**286.60**	**11.08**	**219.75**	**10.53**
Total Tax Expense	102.80	3.60	65.15	2.52	49.29	2.36
Net Profit for the year	**308.03**	**10.79**	**221.45**	**8.56**	**170.46**	**8.17**

Cost of materials consumed.

Cost of materials consumed comprises raw material costs incurred in production of Welding Consumables, Wear plate / Wear consumables, and Heavy Engineering Equipment and Trading. The primary raw materials that are used in the manufacture of our products are iron, iron sheets or wire to manufacture our products. Raw materials consumed represent a significant portion of our total expenditure. Cost of materials consumed accounted for 45.25%, 53.21% and 55.87% of our total income for the Fiscals 2024, 2023 and 2022 respectively.

Changes in inventories of finished goods and work-in-progress

Changes in inventories of finished goods, work-in-progress and stock in trade consists of costs attributable to an increase or decrease in inventory levels during the relevant financial period in finished goods, stock-in-progress and stock in trade. Changes in inventories of finished goods and work-in-progress accounted for (0.33%), (1.09%) and (3.72%) of our total income for the Fiscal 2024, 2023 and 2022 respectively.

Purchases of stock in trade

Purchases of stock in trade accounted for 6.50%, 4.95% and 3.93% of our total income for the Fiscal 2024, 2023 and 2022 respectively.

Manufacturing expenses

Manufacturing expenses comprise (i) Consumable, stores, and spare parts material consumed; (ii) Job work charges and labor charges; (iii) Power and fuel, and other expenses specifically related to manufacturing activities. For Fiscals 2024, 2023 and 2022, manufacturing expenses represented 13.59%, 12.70% and 12.67% of our total income, respectively.

Employee benefits expense

Employee benefits expense includes (i) salaries and wages, and remuneration to director; (ii) contribution to provident fund and other funds, (iii) Gratuity, staff welfare expenses and Sales Commission to employees. Employee benefits expense accounted for 12.63%, 11.89% and 12.88% of our total income for the Fiscal 2024, 2023 and 2022 respectively.

Finance costs

Finance costs include interest expense on borrowings, Exchange fluctuation on foreign currency transactions/ translations and other borrowing costs. Finance costs accounted for 0.61%, 0.89% and 0.66% of our total income for the Fiscals 2024, 2023 and 2022 respectively.

Depreciation and amortization expenses

Depreciation represents depreciation on our property, plant and equipment. Amortization represents amortization of intangible assets. Depreciation is calculated on a written down value method over the estimated useful life of all assets, these lives are in accordance with Schedule II to the Companies Act, 2013 or as per the best estimation of the management. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Depreciation and amortization expense accounted for 1.59%, 1.49% and 1.99% of total income for the Fiscals 2024, 2023 and 2022 respectively.

Other expenses

Other expenses include rent, repair & maintenance- plant & machinery, vehicles and other, security charges, travelling, communication and conveyance expenses and commission expenses, legal and professional fees and miscellaneous expenses. Other expenses accounted for 6.15%, 6.09% and 5.60% of our total income for the Fiscal 2024, 2023 and 2022 respectively.

Fiscal 2024 compared with Fiscal 2023

Revenue from Operations

Revenue from operations increased by ₹ 232.68 million, or 9.13%, from ₹ 2,548.76 million in Fiscal 2023 to ₹ 2,781.44 million in Fiscal 2024. This growth was primarily driven by an increase in revenue from Wear plate / Wear parts by 10.33% to ₹ 834.23 million for Fiscal 2024 from ₹ 756.14 million for Fiscal 2023, an increase in revenue from Heavy Engineering Equipment by 36.02% to ₹ 722.73 million for Fiscal 2024 from ₹ 531.34 million for Fiscal 2023, and an increase in revenue from Trading Activities by 33.74% to ₹ 233.44 million for Fiscal 2024 from ₹ 174.55 million for Fiscal 2023. This improvement was mainly due to a better product mix and increased sales volume in these products.

Other Income

Other income increased by ₹ 36.21 million or 95.41%, from ₹ 37.95 million in Fiscal 2023 to ₹ 74.17 million in Fiscal 2024. This increase was primarily driven by higher Net gain on financial instruments at fair value through profit or loss, Profit on Sale of Assets & Investment, and PSI Incentive, which amounted to ₹ 29.43 million, ₹ 20.61 million, and ₹ 12.79 million, respectively, in Fiscal 2024.

Cost of materials consumed.

The cost of materials consumed reduced by ₹ 84.06 million or 6.11%, decreasing from ₹ 1,376.33 million in Fiscal 2023 to ₹ 1,292.27 million in Fiscal 2024. This decrease is attributed to a change in product mix towards products that require fewer or lower-cost materials and inventory optimization.

Changes in Inventories of Finished Goods & Work-in-Progress.

Changes in inventories of finished goods and work-in-progress showed a increase of ₹ 18.77 million from reduction of ₹ 28.26 million in Fiscal 2023 compared to a reduction of ₹ 9.50 million in Fiscal 2024. The smaller increase in Fiscal 2024 was due to higher closing inventories of finished goods, work-in-progress, and stock-in-trade at the beginning of the year.

Purchase of stock in trade.

Purchases of stock-in-trade increased by ₹ 57.47 million, from ₹ 128.09 million in Fiscal 2023 to ₹ 185.55 million in Fiscal 2024. This was primarily driven by increased purchases to meet higher sales volumes.

Manufacturing Expenses

Manufacturing expenses increased by ₹ 59.56 million or 18.12%, from ₹ 328.62 million in Fiscal 2023 to ₹ 388.18 million in Fiscal 2024. This was primarily due to a increase in the Consumable, stores and spare parts material Consumed, Job work charges, Labor charges and Power and fuel of ₹ 14.86 million, ₹ 16.93 million, ₹ 15.00 million and ₹ 9.04 million respectively.

Employee benefits expense

Employee benefits expenses rose by ₹ 52.96 million or 17.22%, from ₹ 307.60 million in Fiscal 2023 to ₹ 360.56 million in Fiscal 2024. This was primarily due to a general increase in the salaries and wages, including remuneration paid to the directors which together was ₹ 331.92 million in fiscal 2024 and ₹ 279.78 million in fiscal 2024. Employee benefit expenses contributed 11.89% of the total revenues for the Fiscal 2023 vis-à-vis 12.63% of the total revenues for the Fiscal 2024.

Finance costs

Finance costs decreased by ₹ 5.40 million or 23.52%, from ₹ 22.95 million in Fiscal 2023 to ₹ 17.55 million in Fiscal 2024. This can be attributed to a decrease in interest expenses on borrowing, which went from ₹ 18.54 million in Fiscal 2023 to ₹ 14.13 million in Fiscal 2024. Additionally, there was a fall in other borrowing costs, amounting to ₹ 0.99 million in Fiscal 2024 compared to Fiscal 2023.

Depreciation and amortization expense

Depreciation and amortization expenses increased marginally by ₹ 7.07 million or 18.42%, from ₹ 38.42 million in Fiscal 2023 to ₹ 45.49 million in Fiscal 2024, was mainly driven by a addition in of tangible and intangible assets.

Other expenses

Other expenses increased by ₹ 18.10 million or 11.48%, from ₹ 157.61 million in Fiscal 2023 to ₹ 175.70 million in Fiscal 2024. This was primarily due to

- an increase in Legal and professional fees to ₹ 24.24 million in Fiscal 2024 from ₹ 17.41 million in Fiscal 2023 primarily to increase in our operations.
- an increase in Travelling, communication and conveyance expenses to ₹ 39.25 million in Fiscal 2024 from 34.78 in Fiscal 2023 primarily to increase in our operations.
- an increase in Bad debts w/off to ₹ 9.56 million in Fiscal 2024 from ₹ 3.88 million in Fiscal 2023.
- A miscellaneous expenses by ₹ 13.92 million in Fiscal 2024 compared to Fiscal 2023.

Tax expense

Our total tax expense increased by ₹ 37.65 million or by 57.79% from ₹ 65.15 million in Fiscal 2023 to ₹ 102.80 million in Fiscal 2024. This was largely driven by a increase in current tax of ₹ 28.52 million which was added by increase in deferred tax by ₹ 10.96 million in Fiscal 2024.

Profit/(Loss) for the year

For the various reasons discussed above, and following adjustments for tax expense, we recorded an increase in our profit by ₹ 86.58 million or by 39.10% from ₹ 221.45 million in Fiscal 2023 to ₹ 308.03 million in Fiscal 2024. Profit after tax as a percentage of total revenue stood at 10.79% for Fiscal 2024 versus 8.56% for Fiscal 2023.

Fiscal 2023 compared with Fiscal 2022

Revenue from Operations

Revenue from operations increased by ₹ 502.88 million, or 24.58%, from ₹ 2045.89 million in Fiscal 2022 to ₹ 2548.76 million in Fiscal 2023. This was primarily attributed to an increase in revenue from Welding Consumables by 35.57% to ₹ 978.70 million for Fiscal 2023 from ₹ 721.94 million for Fiscal 2022, increase in revenue from Wear plate / Wear Parts by 38.95% to ₹ 756.14 million for Fiscal 2023 from ₹ 544.17 million for Fiscal 2022, and increase in revenue from Trading activities by 23.48% to ₹ 174.55 million for Fiscal 2023 from ₹ 141.36 million for Fiscal 2022. This increase was majorly attributed due to increase in production mix and increase in volume of units sold in these products.

Other Income

Our other income decreased by ₹ 3.62 million or by 8.72% from ₹ 41.58 million in Fiscal 2022 to ₹ 37.95 million in Fiscal 2023. This decrease was driven by a decrease in net gains on foreign exchange fluctuation, decrease in MEIS License income and Insurance claim receipt which is ₹ 6.97 million, ₹ 2.28 million, ₹ 1.97 million from fiscal year 2022 to fiscal year 2023. This was partially offset by an increase in Profit on Sale of Assets & Investment account and PSI Incentive for increase in other income by ₹ 5.65 million and ₹ 4.31 million respectively form the fiscal 2022 to fiscal 2023.

Cost of materials consumed.

The cost of material consumed experienced a rise of ₹210.09 million or 18.01%, increasing from ₹1166.25 million in Fiscal 2022 to ₹1376.33 million in Fiscal 2023, attributed to the expansion of business scale and an increase in inventories of finished goods and work-in-progress.

Changes in Inventories of Finished Goods & Work-in-Progress.

The change in inventories of finished goods and work in progress showed a decrease of ₹77.72 million in Fiscal 2022, compared to a reduction of ₹28.26 million in Fiscal 2023. This is mainly due to a higher opening inventory of finished goods, work in progress, and stock in trade at the end of Fiscal 2023.

Purchase of stock in trade.

The purchase of stock in trade increased by ₹46.02 million in Fiscal 2022, rising from ₹82.07 million to ₹128.09 million in Fiscal 2023. This increase is attributed to increase in purchase of stock in trade.

Manufacturing Expenses

Manufacturing Expenses increased by ₹ 64.11 million or by 24.24% from ₹ 264.51 million in Fiscal 2022 to ₹ 328.62 million in Fiscal 2023. This was primarily due to a increase in the Consumable, stores and spare parts material Consumed, Job work charges, Labour charges and Power and fuel of ₹ 7.31 million, ₹ 31.27 million, ₹ 10.08 million and ₹ 10.07 million respectively.

Employee benefits expense

Employee benefits expenses increased by ₹ 38.64 million or by 14.36% from ₹ 268.96 million in Fiscal 2022 to ₹ 307.60 million in Fiscal 2023. This was primarily due to a general increase in the salaries and wages, including remuneration paid to the directors which together was ₹ 235.19 million in fiscal 2022 and ₹ 272.43 million in fiscal 2023. Employee benefit expenses contributed 12.88% of the total revenues for the Fiscal 2022 vis-à-vis 11.89% of the total revenues for the Fiscal 2023.

Finance costs

Finance costs rose by ₹9.12 million or 65.92%, increasing from ₹13.83 million in Fiscal 2022 to ₹ 22.95 million in Fiscal 2023. This uptick can be attributed to an increase in interest expenses on borrowing, which went from ₹9.62 million in Fiscal 2022 to ₹18.54 million in Fiscal 2023. Additionally, there was a rise in other borrowing costs, amounting to ₹0.13 million in Fiscal 2023 compared to Fiscal 2022.

Depreciation and amortization expense

The reduction in our depreciation and amortization expense by ₹3.23 million or 7.75%, from ₹41.64 million in Fiscal 2022 to ₹38.42 million in Fiscal 2023, was mainly driven by a lower written-down value of tangible and intangible assets.

Other expenses

Other expenses increased by ₹ 40.69 million or by 34.80% from ₹ 116.92 million in Fiscal 2022 to ₹ 157.61 million in Fiscal 2023. This was primarily due to

- an increase in travelling, communication, and conveyance expenses to ₹ 34.78 million in Fiscal 2023 from ₹ 20.38 million in Fiscal 2022 primarily to increase in our operations.
- an increase in net loss on financial instruments at fair value through profit or loss to ₹ 10.33 million in Fiscal 2023 from nil in Fiscal 2022 due increase in export of the product manufactured and job work and due to market fluctuations.
- an increase in Commission expenses on sales to ₹ 6.53 million in Fiscal 2023 from ₹ 2.52 million in Fiscal 2022.
- an increase in packing, forwarding and advertisements and sales promotion expenses, legal and professional fees and miscellaneous expenses b ₹ 8.39 million in Fiscal 2023 compared to Fiscal 2022.

Tax expense

Our total tax expense increased by ₹ 15.86 million or by 32.17% from ₹ 49.29 million in Fiscal 2022 to ₹ 65.15 million in Fiscal 2023. This was largely driven by a increase in current tax of ₹ 10.33 million which was added by increase in deferred tax by ₹ 3.70 million in Fiscal 2023.

Profit/(Loss) for the year

For the various reasons discussed above, and following adjustments for tax expense, we recorded an increase in our profit by ₹ 51.00 million or by 29.92% from ₹ 170.46 million in Fiscal 2022 to ₹ 221.45 million in

Fiscal 2023. Profit after tax as a percentage of total revenue stood at 8.56% for Fiscal 2023 versus 8.17% for Fiscal 2022.

Cash Flows

The following table sets forth certain information relating to our cash flows under Ind AS for the Fiscals 2024, 2023 and 2022:

(All amounts in ₹ million)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash (used in)/ generated from operating activities	390.97	(47.37)	110.51
Net cash (used in)/ generated from investing activities	(385.61)	(133.73)	(152.02)
Net cash (used in)/ generated from financing activities	27.47	195.78	25.33
Net increase/ (decrease) in cash and cash equivalents	32.83	14.68	(16.18)
Cash and Cash Equivalents at the beginning of the period	45.29	30.61	46.79
Cash and Cash Equivalents at the end of the period	**78.13**	**45.29**	**30.61**

Net cash generated from operating activities

Net cash generated from operating activities in Fiscal 2024 was ₹ 390.97 million and our profit before tax that period was ₹ 410.83 million. The difference was primarily attributable to depreciation of ₹ 45.49 million, Interest and finance charges of ₹ 17.55 million, Net (gain)/loss on financial instruments at fair value through profit or loss of ₹ (29.43) million, Share of profit / (loss) of associates and joint ventures of ₹ 13.60 million and thereafter change in working capital of ₹ 31.53 million respectively, resulting in gross cash used in for the operations at ₹ 493.77 million. We have income tax paid of ₹ 102.80 million.
Net cash used in operating activities in Fiscal 2023 was ₹ 47.37 million and our profit before tax that period was ₹ 286.60 million. The difference was primarily attributable to depreciation of ₹ 38.42 million, Interest and finance charges of ₹ 22.95 million, Net (gain)/loss on financial instruments at fair value through profit or loss of ₹ 10.33 million, Share of profit / (loss) of associates and joint ventures of ₹ 31.24 million and thereafter change in working capital of ₹ (384.12) million respectively, resulting in gross cash used in for the operations at ₹ 9.89 million. We have income tax paid of ₹ 57.26 million.

Net cash generated from operating activities in Fiscal 2022 was ₹ 110.51 million and our profit before tax that period was ₹ 219.75 million. The difference was primarily attributable to depreciation of ₹ 41.64 million, Interest and finance charges of ₹ 13.83 million, Share of profit / (loss) of associates and joint ventures of ₹ 8.75 million and thereafter change in working capital of ₹ (121.37) million respectively, resulting in gross cash generated from the operations at ₹ 153.67 million. We have income tax paid of ₹ 43.17 million.

Net cash used in investing activities

In the Fiscal 2024, our net cash used in investing activities was ₹ 385.61 million, which was primarily for Purchase of property, plant & equipment (including capital work in progress) of ₹ 314.26 million. Increase in non-current investment of ₹ 81.08 million.

In the Fiscal 2023, our net cash used in investing activities was ₹ 133.73 million, which was primarily for Purchase of property, plant & equipment (including capital work in progress) of ₹ 92.06 million. Increase in non-current investment of ₹ 47.81 million.

In the Fiscal 2022, our net cash used in investing activities was ₹ 152.02 million, which was primarily for Purchase of property, plant & equipment (including capital work in progress) of ₹ 113.41 million. Increase in non-current investment of ₹ 65.71 million and this was offset slightly by disposal of assets of ₹ 38.08 million.

Net cash generated from/ used in financing activities.

In the Fiscal 2024, our net cash generated from financing activities was ₹ 27.47 million. This was primarily due to repayment of short-term borrowings ₹ 119.88 million, repayment of ₹ 16.70 million as long-term borrowing, payment of finance cost and dividend paid of ₹ 18.22 million and proceeds received from issue of shares amounting ₹ 202.37 million.

In the Fiscal 2023, our net cash generated from financing activities was ₹ 195.78 million. This was primarily due to proceeds received from short term borrowings ₹ 246.28 million, repayment of ₹ 11.31 million as long-term borrowing, payment of finance cost and dividend paid of ₹ 16.24 million.

In the Fiscal 2022, our net cash generated from financing activities was ₹ 22.95 million. This was primarily due to proceeds received from short term borrowings ₹ 76.70 million, repayment of ₹ 27.65 million as long-term borrowing, payment of finance cost and dividend paid of ₹ 13.82 million and ₹ 9.90 million respectively.

LIQUIDITY AND CAPITAL RESOURCES

We fund our operations primarily with cash flow from operating activities and borrowings / credit facilities from banks. Our primary use of funds has been to pay for our working capital requirements and capital expenditure and for the expansion of our manufacturing facilities. We evaluate our funding requirements regularly considering the cash flow from our operating activities and market conditions. In case our cash flows from operating activities do not generate sufficient cash flows, we may rely on other debt or equity financing activities, subject to market conditions.

Our Company had Consolidated cash and cash equivalents of ₹ 78.13 million as of March 31, 2024, ₹ 45.29 million as of March 31, 2023, ₹ 30.61 million as of March 31, 2022.

We have Short term borrowing of ₹ 344.35 million as of March 31, 2024 of as per restated consolidated financial statement.

The following table sets forth certain information relating to our outstanding indebtedness as of July 31, 2024, on a Consolidated basis:

(₹ in million)

Category of Borrowings	Sanctioned amount*	Outstanding amount as at July 31, 2024*
Secured Loans		
Term Loan	NIL	NIL
Working Capital Limits		
Fund based facilities#	470.00	186.61

Non-Fund based facilities[#]	180.00	181.41
Unsecured Loans** *(Working Capital Demand Loan)*	50.00	50.00
Total	**700.00**	**418.02**

** As certified by PGS & Associates Chartered Accountants, the Statutory Auditor of our Company pursuant to their certificate dated September 16, 2024*

[#] Fund-based facilities sanctioned by our lenders ICICI Bank, DBS Bank and Yes Bank are interchangeable into non-fund based facilities as per the sanctioned terms.

[**] Unsecured loan from Shinhan Bank is supported by the personal guarantee of our Promoter, Prashant Garg. Our Company has not provided any additional security for this loan.

For further and detailed information on our indebtedness, see "*Risk Factor no.40- We have incurred borrowings from commercial banks and any non-compliance with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.*" on pages 68 and "*Financial Indebtedness*" on page 399 of this Prospectus

CONTINGENT LIABILITIES

As of March 31, 2024, the estimated amount of contingent liabilities are as follows:

(All amounts in ₹ million)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Excise duty liability disputed	-	1.66	1.66
TOTAL	**-**	1.66	1.66

For further information on our contingent liabilities and commitments, see *"Note 37 – Contingent Liabilities"* under the chapter *"Restated Consolidated Financial Statements"* on page 357.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or which we believe reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. For further information relating to our related party transactions, see "*Financial Information* - *Note 38 – Related Party Transactions*" on page 357 of this Prospectus.

(All amounts in ₹ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Sales			
M/s Mecdiff SD. BHD.	12.58	8.94	7.67
Total Credit Notes Towards Commission			
LSN Diffusion Ltd	-	0.57	0.43
Purchase			

Benvira Forward Algorithms Private Limited	-	-	-
LSN Diffusion Ltd	42.96	35.37	27.59
Reimbursement			
Benvira Forward Algorithms Private Limited	0.01	0.29	0.35
LSN Diffusion Ltd	0.09	0.21	-
Mr. Prashant Garg	2.05	2.59	2.32
Commission			
Mr. Prashant Garg	-	2.50	4.00
Mr. Ajay Jain	0.35	0.35	0.35
Mrs. Neelu Garg	-	3.50	2.00
Mrs. Renuka Garg	0.35	0.35	0.35
Ms. Anita Vijaykar	0.35	0.35	0.35
Mrs. Chitra Garg	0.35	-	-
Mr. Anil Trigunyat	0.35	-	-
LSN Diffusion Ltd	-		
Debit / (Credit) due to exchange fluctuation			
LSN Diffusion Ltd	0.28	-0.28	0.26
M/s Mecdiff SD. BHD.	0.08	0.11	-0.19
Dividend			
Mr. Prashant Garg	6.98	4.37	5.83
Ajay Jain (H.U.F)	0.05	0.03	0.04
Mr. Nitin N Garg	4.67	2.95	4.23
Mrs Daksha Jain	0.00	0.00	0.00
Mrs. Chitra N Garg	4.08	2.55	3.40
Mrs. Neelu Garg	0.36	0.03	0.04
Mrs. Renuka Garg	0.23	0.23	0.30
N. K. Garg HUF	1.42	0.89	1.19
Ms. Anita Vijaykar	0.00	0.00	-
Mr. Abhishek Mehta	0.00		
Mr. Ajay Jain	0.01		
Remuneration			
Mr. Prashant Garg	20.00	16.65	13.05
Mrs. Neelu Garg	5.52	1.92	1.64
Sitting Fees to Directors			
Renuka Garg	0.36	0.14	0.14
Ajay Jain	0.40	0.14	0.14
Anil Trigunayat	0.11	-	-
Anita Vijaykar	0.40	0.14	0.14
Prashant Garg	0.41	0.14	0.14
Chitra Garg	0.11	-	-
Key Managerial Personnel			
Mr Abhishek Mehta	1.82	-	-

Ms Chanchal Jaiswal	0.60	-	-
Relatives of Key Managerial Personnel			
Mrs Disha Mehta	1.50	-	-
Rent			
Mrs. Chitra N Garg	3.03	2.67	2.47
N. K. Garg HUF	0.22	0.19	0.19
Mr. Prashant Garg	0.73	0.70	0.64
Acquisition of land			
Nitin Grag	13.33	-	-
Prashant grag	13.33	-	-
Chitra Grag	13.33	-	-
Total	**195.26**	**88.57**	**79.07**

Details of outstanding to/from related parties

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Trade Payables			
Benvira Forward Algorithms Private Limited	-	-	0.16
LSN Diffusion Ltd	-	1.48	1.65
Trade receivables		-	-
M/s Mecdiff SD. BHD.	7.78	1.51	0.23
Benvira Forward Algorithms Private Limited	6.28		
Reimbursement Payable		-	-
Mr. Prashant Garg	-	0.16	-

Non-GAAP Measures

In addition to our results determined in accordance with Ind AS, we believe the following non-GAAP measures are useful to investors in evaluating our operating performance and liquidity. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these Non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

Reconciliation of Profit/(loss) for the period/year to our EBITDA

Particulars	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**	**For the year ended 31st March, 2022**
Profit/(loss) before Tax (I)	410.83	286.60	219.75
Add:			
Finance Cost (II)	17.55	22.95	13.83
Depreciation (III)	45.49	38.42	41.64
EBITDA (IV=I+II+III)	**473.88**	**347.97**	**275.22**

EBITDA is calculated as the sum of restated profit/ (loss) for the period, total tax expenses, finance costs, depreciation and amortisation expense reduced.

Reconciliation of Restated Profit/(loss) for the period from continuing operations to Operating EBITDA Margin

Particulars	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**	**For the year ended 31st March, 2022**
EBITDA (I)	473.88	347.97	275.22
Revenue from Operations (II)	2,781.44	2,548.76	2,045.89
EBITDA margin (I/II)	17.04%	13.65%	13.45%

EBITDA Margin is calculated by dividing EBITDA by revenue from operations.

Reconciliation of Capital Turnover Ratio

Particulars	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**	**For the year ended 31st March, 2022**
Equity Share capital as per Restated Ind AS financial statements (I)	280.21	37.37	37.37
Other Equity as per Restated Ind AS financial statements (II)	1,626.83	1,382.60	1,169.11
Revenue from Operations (III)	2,781.44	2,548.76	2,045.89
Capital Turnover Ratio {IV=III/(I+II)}	1.46	1.79	1.69

Capital Turnover ratio is calculated by dividing Revenue from operations by Equity share capital and other equity.

Reconciliation of Total Debt to Equity Ratio attributable to equity holders ratio

Particulars	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**	**For the year ended 31st March, 2022**
Total Borrowings	344.35	480.92	245.95
Equity attributable to equity holders	1,907.04	1,419.97	1,206.48
Total borrowings/Equity attributable to equity holders ratio	0.18	0.34	0.20

Total Debt to Equity Ratio is calculated by dividing Total borrowing by Equity attributable to equity shareholders.

Reconciliation of Restated Profit/(Loss) margin

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Restated Profit/(loss) for the period/year (I)	308.03	221.45	170.46
Revenue from operations	2,781.44	2,548.76	2,045.89
Restated Profit/(Loss) margin (III=I/II) (in%)	11.07%	8.69%	8.33%

Profit Margin Ratio is calculated by dividing Profit/(loss)for the period/year by Revenue from operations.

Reservations, Qualifications and Adverse Remarks by the statutory auditors

There are no reservations, qualifications and adverse remarks by our Statutory Auditors since incorporation.

Details of Default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues or repayment of debentures or repayment of deposits or repayment of loans from any bank or financial institution

There have been no defaults in payment of statutory dues or interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company For the Fiscal 2024, Fiscal 2023 and Fiscal 2022.

Material Frauds

There are no material frauds, as reported by our statutory auditor, committed against our Company, since incorporation.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Financial Risk Management :

Diffusion engineers limited is exposed primarily to market risk (fluctuation in foreign currency exchange rates & interest rate), credit, liquidity which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment & seeks to mitigate potential adverse effects on the financial performance of the Group.

Credit Risk :

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentration of credit risk principally consists of trade receivables, investments, derivative financial instruments and other financial assets. None of the financial instruments of the Group results in material concentration of credit risk.

Liquidity Risk :

Liquidity Risk Management : Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturities of Borrowings :

The following table details the Group's expected maturity for borrowings :

Exposure to Risk	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Interest bearing borrowings:			
On Demand	344.35	451.32	196.16
Less than 180 Days	-	10.13	10.90
181-365 Days	-	2.78	10.90
More than 365 Days	-	16.69	27.99

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

a) **Foreign Currency Exchange Rate Risk :**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in AED, US Dollar, Australian Dollar, Great Britain Pound, Euro, JPY against the respective functional currencies of the Group. The Group, as per its risk management policy, evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks & uses derivative instruments primarily to hedge foreign exchange (if required).

Foreign Currency Exposures

Particulars	Currency type	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
I. Trade receivables/Advance	USD	0.98	1.54	0.80

	EURO	0.04	0.07	0.07
	SGD		0.03	0.01
	AED		-	0.00
	AUD		0.01	-
Total		**1.02**	**1.65**	**0.88**
II. Borrowing balances:	USD		0.27	0.34
Total			**0.27**	**0.34**
III. Trade payables:	USD	0.30	0.11	0.23
	EUR	0.02	0.22	0.06
Total		**0.32**	**0.33**	**0.29**

Foreign Currency Sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Currency	Change in rate	Effect on profit before tax
Based on YOY change between F23 & F24	USD	+100%	0.68
	USD	-100%	(0.68)
	EUR	+100%	0.02
	EUR	-100%	(0.02)
	SGD	+100%	-
	SGD	-100%	-
	AED	+100%	-
	AED	-100%	-
	AUD	+100%	-
	AUD	-100%	-
March 31, 2023			
Based on YOY change between F22&23	USD	+100%	1.16
	USD	-100%	(1.16)
	EUR	+100%	(0.15)
	EUR	-100%	0.15
	SGD	+100%	0.03
	SGD	-100%	(0.03)
	AUD	+100%	0.01
	AUD	-100%	(0.01)
March 31, 2022			
Based on YOY change between F22 & F21	USD	+100%	0.23
	USD	-100%	(0.23)
	EUR	+100%	0.01

	EUR	-100%	(0.01)
	SGD	+100%	0.01
	SGD	-100%	(0.01)
	AED	+100%	0.00
	AED	-100%	(0.00)

b) 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 change in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

Floating Interest rate exposure:	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Secured Loans :			
Loans repayable taken from Banks:	344.35	480.92	245.95
Total	**344.35**	**480.92**	**245.95**

Interest Rate Sensitivity :

The sensitivity analyses below have been determined based on exposure to interest rate. For variable rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Group's profit before tax is affected through the impact on variable rate borrowings, as follows:

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax (Loss)
As at March 31, 2024	+100	3.44
	-100	(3.44)
As at March 31, 2023	+100	4.81
	-100	(4.81)
As at March 31, 2022	+100	(2.46)
	-100	2.46

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. ***Unusual or infrequent events or transactions***

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

2. ***Significant economic changes that materially affected or are likely to affect income from continuing operations.***

Apart from the risks as disclosed under Section *"**Risk Factors**"* beginning on page 37, there are no significant economic changes that may materially affect or likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section *"**Risk Factors**"* beginning on page 37, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues

Our Company's future costs and revenues will be determined by demand/supply situation, both of the end products as well as the raw materials, government policies and budget constraints of our customer(s).

5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices

Increases in revenues are by and large linked to increases in volume of business and also dependent on the price realization on our products.

6. Status of any publicly announced New Products or Business Segment

Except as disclosed elsewhere in the Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

7. Total Turnover of Each Major Industry Segment in Which the Issuer Operates

Our business is primarily in manufacturing of viz. "Welding Consumables, Wear plate/Wear consumables, Heavy Engineering Equipment and trading". Details of the industry turnover and other relevant information is disclosed in the section *"Industry Overview"* beginning on page 196.

8. Seasonality of business

Our Company's business is not seasonal in nature.

9. Any Major Dependence on a single or few suppliers or customers

The % of contribution of our Company's suppliers vis-à-vis our revenue from operations on restated standalone financial statement respectively for the Fiscal 2024, 2023 and 2022 is as follows:

Particulars	Top Suppliers as a percentage (%) of revenue from operations		
	Fiscal 2024	Fiscal 2023	Fiscal 2022
Top 5	22.49%	19.26%	19.96%
Top 10	31.25%	29.50%	30.80%

The % of contribution of our Company's customers vis-à-vis our revenue from operations on restated standalone financial statement respectively for the Fiscals 2024, 2023 and 2022 is as follows:

Particulars	Top Customers as a percentage (%) of revenue from operations		
	Fiscal 2024	Fiscal 2023	Fiscal 2022

Top 5	20.81%	20.26%	23.45%
Top 10	29.43%	30.95%	33.27%

10.Competitive conditions:

Competitive conditions are as described under the chapters *"Industry Overview"* and *"Our Business"* beginning on pages 196 and 232 respectively.

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business, primarily for the purposes of meeting our working capital requirements.

Set forth below is a brief summary of our aggregate borrowings on a consolidated basis as on July 31, 2024:

(₹ in million)

Category of Borrowings	Sanctioned amount*	Outstanding amount as at July 31, 2024*
Secured Loans		
Term Loan	NIL	NIL
Working Capital Limits		
Fund based facilities#	470.00	186.61
Non-Fund based facilities#	180.00	181.41
Unsecured Loans** *(Working Capital Demand Loan)*	50.00	50.00
Total	**700.00**	**418.02**

** As certified by PGS & Associates Chartered Accountants, the Statutory Auditor of our Company pursuant to their certificate dated September 16, 2024*

 # Fund-based facilities sanctioned by our lenders ICICI Bank, DBS Bank and Yes Bank are interchangeable into non-fund based facilities as per the sanctioned terms

*** Unsecured loan from Shinhan Bank is supported by the personal guarantee of our Promoter, Prashant Garg. Our Company has not provided any additional security for this loan.*

There have been no defaults in repayment of borrowings with any financial institutions/ banks as on the date of this Prospectus. We have received all the necessary approvals from the concerned lenders for the proposed Issue.

For further information, see *Risk Factor No. 40 – "We have incurred borrowings from commercial banks and any non-compliance with repayment and other covenants in our financing agreements could adversely affect our business and financial condition."* on page 68 this Prospectus.

Principal terms of the borrowings availed by us:

A summary of the principal terms of our borrowings are as set out below. The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us:

1. ***Tenor:*** The working capital facilities have a tenor ranging from 90 days to up to 3 years.

2. ***Interest:*** The interest rate applicable to our borrowing facilities is typically tied to the lender's lending rate prevailing at the time, as applicable and which may vary for each facility.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

   a. Equitable mortgage over the Company's land and building at Unit I, Unit II, Unit III and Unit IV;

b. create a pari passu charge by way of hypothecation on entire current assets, present and future, of our Company;

c. charge on current asset, movable fixed assets and immovable properties of the Company;

d. personal guarantee by our Promoter and Promoter Group Member namely Prashant Garg and Late Narendra Kumar Garg.

The above is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. ***Events* of *default:*** *The* terms of our borrowings contain certain standard events of default which may attract penal charges, including:

   a. fails to promptly pay any amount now or hereafter owing to the Bank as and when the same shall become due and payable

   b. overdue interest/ installment in respect of term loans and over-drawings above the drawing power/ limit in fund based working capital accounts;

   c. any representation have been false at any time or misleading as of the date on which the same was made or deemed to be made;

   d. failure in performance of any covenant, condition or agreement;

   e. breach of financial covenants;

   f. the cessation of business by or the dissolution, winding-up, insolvency or liquidation.

5. ***Consequences of event of default:*** Upon the occurrence of an event of default the lender may levy penal/ interest charges over and above the normal interest applicable in the account.

6. ***Negative Covenants:*** The borrowing arrangements entered into by us restrict us from carrying out certain actions, including:

   a. change in the capital structure;

   b. any change in the capital structure of the Company resulting in dilution of the promoter's shareholding, without the prior permission of the Bank;

   c. formulate any scheme of amalgamation or reconstruction;

   d. undertake any new project/scheme without obtaining the Bank's prior consent;

   e. invest, lend or advance funds to any other concern;

   f. enter into any borrowing or financing arrangements and any term loans proposed to be obtained from Financial Institutions/Banks;

   g. issue any corporate guarantee on behalf of any company;

h. declare dividend for any year except out of profits relating to that year and after payment of outstanding dues to the lenders;

i. make material changes in the management set up without prior approval of the Banks;

j. create charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons;

k. withdraw/allow to be withdrawn any money brought in by the Company, Promoter or Directors;

l. extend loans to Directors/Associates or other companies;

m. sell, assign, mortgage or otherwise dispose of any of the fixed assets charged to the bank.

n. not pay any consideration whether by way of commission, brokerage, fees or in any other form to the guarantors for giving the personal guarantee;

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount; and (iv) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving our Company, our Directors, Subsidiaries and our Promoters ("**Relevant Parties**"); or (v) pending litigation involving each of our Group Company which has a material impact on our Company. Further, there are no disciplinary actions (including penalties) imposed by SEBI or a recognized Stock Exchanges against our Promoters in the last five Financial Years immediately preceding the date of this Prospectus, including any outstanding action.*

For the purposes of identification of material litigation in (iv) above any pending litigation (including arbitration proceedings) involving the Relevant Parties, our Board has considered and adopted the Materiality Policy at its meeting held on December 13, 2023 has determined Material Litigation as:

(i) if the aggregate amount involved in such individual litigation, to the extent quantifiable, exceeds 10% of the Company's profit after tax for the most recently completed fiscal year, as per the last Restated Consolidated Financial Statements; or

(ii) where the monetary impact is not quantifiable or the amount involved may not exceed the materiality threshold set out under (i) above, but where an adverse outcome in any litigation would materially and adversely affect our Company's business, prospects, operations, financial position or reputation, irrespective of the amount involved in such litigation.

The profit after tax of our Company as per the last Restated Consolidated Financial Statements for Financial Year 2023-24 was ₹ 308.03 million. Accordingly, all such outstanding litigation proceedings where the aggregate monetary claim made by or against the Relevant Parties, in any such outstanding litigation or arbitration proceeding is equal to or in excess of ₹30.80 million have been disclosed in this Prospectus.

It is clarified that for the purposes of the Materiality Policy, pre-litigation notices (other than those issued by governmental, statutory or regulatory, judicial authorities) received by the Relevant Parties shall in any event not be considered as litigation until such time that Relevant Parties are made a party to proceedings initiated before any court, tribunal or governmental, statutory authority or any judicial authority, or is notified by any governmental, statutory or regulatory or any judicial authority of any such proceeding that may be commenced.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, our Board, at its meeting held on December 13, 2023 has determined 'Material Dues' as outstanding dues to any creditors of our Company if the amount due to any one of them ('Material Creditor') exceeds 10% of the trade payables of the Company as per last Restated Consolidated Financial Statements. The trade payables of our Company, as per the last Restated Consolidated Financial Statements for Financial Year 2023-24 is ₹ 309.15 million and accordingly, any outstanding dues exceeding ₹ 30.91 million have been considered as material outstanding dues for the purposes of disclosure in this section. Details of Material Dues to creditors as required under the SEBI ICDR Regulations have been disclosed on our website at https://www.diffusionengineers.com. 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.*

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of date of this Prospectus.

I. <u>Litigation involving our Company</u>

A. Litigation filed against our Company

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

(i) Our Company and our Promoter & Managing Director, Prashant Garg have on February 29, 2024 voluntarily filed an application for adjudication vide e-Form GNL-1 before the RoC under section 454 of the Companies Act for default in filing Form 32 for regularizing the appointment of our Additional Director, Prashant Garg at the ensuing Annual General Meeting held on September 04, 2004. As per the provisions of section 172 of the Act, for the default in compliance with the requirements of this section 152, section 161 of the Act (Section 260 of the erstwhile Companies, Act, 1956). As per the provisions of the Act, for the default in compliance with the requirements of this section, the Company may be liable to a penalty of upto ₹0.84 million and the officer(s) may be liable to a penalty of upto ₹0.005 million. The matter is pending before the RoC.

(ii) Our Company and our Promoter & Managing Director, Prashant Garg have on February 10, 2024 voluntarily filed an application for adjudication vide e-Form GNL-1 before the RoC under section 454 of the Companies Act for the delay in filing the Form BEN-2 with the RoC pursuant to change in Significant Beneficial Owner (i.e. from Narendra Kumar Garg to Dr. Nitin Garg as Karta of N. K. Garg HUF). As per the provisions of section 90(11) of the Act, 2013, for the default in compliance with the requirements of this section 90(4) of the Act the Company may be liable to a penalty of upto ₹0.50 million and the officer(s) may be liable to a penalty of upto ₹0.10 million. The matter is pending before the RoC.

(iii) Our Company and our Promoter & Managing Director, Prashant Garg have on February 10, 2024 voluntarily filed an application for adjudication vide e-Form GNL-1 before the RoC under section 454 of the Companies Act for the delay in filing MGT-14 for holding 38th Annual General Meeting through video conferencing in accordance with applicable MCA Circulars and with regard to appointment of Prashant Garg as the Managing Director of our Company. As per the provisions of section 117(2) of the Act, for the default in compliance with the requirements of this section 117 of the Companies Act, 2013 the Company may be liable to a penalty of upto ₹0.12 million and the officer(s) may be liable to a penalty of upto ₹0.05 million. The matter is pending before the RoC.

(iv) Our Company and our Promoter & Managing Director, Prashant Garg have on February 10, 2024 voluntarily filed an application for adjudication vide e-Form GNL-1 before the RoC under section

454 of the Companies Act for the delay in filing MGT-14 for holding the 39th Annual General Meeting through video conferencing in accordance with applicable MCA Circulars. As per the provisions of section 117(2) of the Act, for the default in compliance with the requirements of this section 117 of the Companies Act, 2013 the Company may be liable to a penalty of upto ₹0.08 million and the officer(s) may be liable to a penalty of upto ₹0.05 million. The matter is pending before the RoC.

(v) Our Company and our Promoter & Managing Director, Prashant Garg have on February 10, 2024 voluntarily filed an application for adjudication vide e-Form GNL-1 before the RoC under section 454 of the Companies Act for the delay in filing MGT-14 for holding the 40th Annual General Meeting through video conferencing in accordance with applicable MCA Circulars. As per the provisions of section 117(2) of the Act, for the default in compliance with the requirements of this section 117 of the Companies Act, 2013 the Company may be liable to a penalty of upto ₹0.05 million and the officer(s) may be liable to a penalty of upto ₹0.05 million. The matter is pending before the RoC.

(vi) Our Company and our Promoter & Managing Director, Prashant Garg have on February 23, 2024 voluntarily filed application for adjudication vide e-Form GNL-1 before the RoC under section 454 of the Companies Act delay in filing Form MGT-14 for issuance of sweat equity shares during the fiscal 2009. As per the provisions of section 117(2) of the Act, for the default in compliance with the requirements of this section 117 of the Companies Act, 2013 the Company may be liable to a penalty of upto ₹0.24 million and the officer(s) may be liable to a penalty of upto ₹0.09 million. The matter is pending before the RoC.

(vii) Our Company and our Promoter & Managing Director, Prashant Garg have on February 29, 2024 voluntarily filed an adjudication application vide e-Form GNL-1 before the RoC under section 454 of the Companies Act for any deemed breach of section 67(3) of the Companies Act, 1956 in respect of the issue of sweat equity shares to 57 employees of the Company during Fiscal 2009. As per the provisions of section 629A of the erstwhile Companies Act, 1956 (corresponding section 450 of the Act), for the default in compliance with the requirements of this section 67(3) of the Companies Act, 1956 the Company may be liable to a penalty of upto ₹ 1.04 million and the officer(s) may be liable to a penalty of upto ₹ 0.06 million. The matter is pending before the RoC. For further details please see "*Risk Factor 8- Our Company had made allotment of equity shares in the past which was allotted to more than 49 investors, which may have been in non-compliance with the Companies Act, 1956.*" on page 43 of this Prospectus.

(viii) The Company and the Managing Director, Prashant Garg have on May 24, 2024 voluntarily filed applications for adjudication vide e-Form GNL-1 before the ROC under section 454 of the Companies Act for delay in filing Form MGT-14 for the board resolution passed on December 26, 2023 with respect to the approval accorded by our Board for investing the funds of our Company in our subsidiary company. As per the provisions of section 117(2) of the Companies Act, 2013, for the default in compliance with the requirements of this section 117 of the Companies Act, 2013 the Company may be liable to a penalty of upto ₹0.02 million and the officer(s) may be liable to a penalty of upto ₹0.02 million. The matter is pending before the ROC.

(ix) One Mr. Sukhdeo Khobragade, Mr. Prithviraj Patle, Mr. Devendra Devgade and Jiwanlal Bisen have on August 08, 2018 filed an application case (IDA No. 15/2018) against our Company under Section 33-C (2) of Industrial Disputes Act, 1947, before the Labour Court at Nagpur, Maharashtra alleging our Company for not paying minimum wages to the 129 workers. As per the said application, a sum of ₹ 130.45 million along with interest at the rate of 18% per annum thereon has been claimed from our Company. The matter is currently pending before the Labour Court at Nagpur, Maharashtra.

(x) Pursuant to the award dated March 25, 2022 passed by the Industrial Court, Nagpur, Maharashtra in reference (No. 03/2013) filed against our Company by representative employee Mr. Prithviraj Patle & four others, the said reference was partly allowed by holding that the employees were entitled to rise in wages and allowances and benefits as sought therein. Aggrieved by the said order, our Company had on June 06, 2022 filed a writ petition (no. 3309/2022) before the Hon'ble Bombay High Court, Nagpur Bench. By an order dated August 25, 2022, the Hon'ble High Court remanded the matter back to the Industrial Court, Nagpur for fresh adjudication. Aggrieved by the order, the petitioners had filed a Special Leave Petition (no. 020239/2023) before the Hon'ble Supreme Court of India which petition came to be dismissed by the Hon'ble Supreme Court vide its order dated September 11, 2023. The matter is currently pending before the Industrial Court at Nagpur, Maharashtra.

(xi) One Mr. Girendra Pande ('Complainant') has on June 24, 2024 filed a complaint (No. 19 of 2024) against our Company under Section 28 of the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971 before the Labour Court, Nagpur, Maharashtra, alleging our Company of not paying minimum wages to the Complainant and for the wrongful termination of his employment in our Company. As per the said complaint, the Complainant has claimed (i) pending wages of ₹ 0.002 million per month from March 01, 2024 along with interest at the rate of 18% thereon; (ii) reinstatement of his service; and (iii) differential wages of unskilled to skilled labour from 2006 till its realization along with interest at the rate of 18% thereon. The matter is currently pending before the Hon'ble Court.

3. Material Civil proceedings

Nil

B. Litigation filed by our Company

1. Criminal proceedings

As on the date of this Prospectus, our Company has filed 5 complaints against various persons, including some of our customers, under Section 138 read of the Negotiable Instruments Act, 1881, alleging dishonour of cheques in relation to goods supplied by our Company. These matters are currently pending at different stages of adjudication before different courts and judicial fora. The aggregate pecuniary amount involved in these matters as on the date of this Prospectus is ₹ 0.75 million.

2. Material Civil proceedings

Nil

II. <u>Litigation involving our Subsidiaries</u>

A. Litigation filed against our Subsidiaries

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material Civil proceedings

Nil

B. Litigation filed by our Subsidiaries

1. Criminal proceedings

Nil

2. Material Civil proceedings

Nil

III. <u>Litigation involving the Directors</u>

A. Litigation filed against our Directors

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material Civil proceedings

Nil

B. Litigation filed by our Directors

1. Criminal proceedings

Nil

2. Material Civil proceedings

Nil

IV. Litigation involving our Promoters

A. Litigation filed against our Promoters

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

The below proceedings also involve our Company as a party and the same have, therefore, also been disclosed in "Litigation involving our Company–Outstanding actions by statutory and regulatory authorities" on page 403, and vice versa.

(i) Our Company and our Promoter & Managing Director, Prashant Garg have on February 29, 2024 voluntarily filed an application for adjudication vide e-Form GNL-1 before the RoC under section 454 of the Companies Act for default in filing Form 32 for regularizing the appointment of our Additional Director, Prashant Garg at the ensuing Annual General Meeting held on September 04, 2004. As per the provisions of section 172 of the Act, for the default in compliance with the requirements of this section 152, section 161 of the Act (Section 260 of the erstwhile Companies, Act, 1956). As per the provisions of the Act, for the default in compliance with the requirements of this section, the Company may be liable to a penalty of upto ₹0.84 million and the officer(s) may be liable to a penalty of upto ₹0.005 million. The matter is pending before the RoC.

(ii) Our Company and our Promoter & Managing Director, Prashant Garg have on February 10, 2024 voluntarily filed an application for adjudication vide e-Form GNL-1 before the RoC under section 454 of the Companies Act for the delay in filing the Form BEN-2 with the RoC pursuant to change in Significant Beneficial Owner (i.e. from Narendra Kumar Garg to Dr. Nitin Garg as Karta of N. K. Garg HUF). As per the provisions of section 90(11) of the Act, 2013, for the default in compliance with the requirements of this section 90(4) of the Act the Company may be liable to a penalty of upto ₹0.50 million and the officer(s) may be liable to a penalty of upto ₹0.10 million. The matter is pending before the RoC.

(iii) Our Company and our Promoter & Managing Director, Prashant Garg have on February 10, 2024 voluntarily filed an application for adjudication vide e-Form GNL-1 before the RoC under section 454 of the Companies Act for the delay in filing MGT-14 for holding 38th Annual General Meeting through video conferencing in accordance with applicable MCA Circulars and with regard to appointment of Prashant Garg as the Managing Director of our Company. As per the provisions of section 117(2) of the Act, for the default in compliance with the requirements of this section 117 of the Companies Act, 2013 the Company may be liable to a penalty of upto ₹0.12 million and the officer(s) may be liable to a penalty of upto ₹0.05 million. The matter is pending before the RoC.

(iv) Our Company and our Promoter & Managing Director, Prashant Garg have on February 10, 2024 voluntarily filed an application for adjudication vide e-Form GNL-1 before the RoC under section 454 of the Companies Act for the delay in filing MGT-14 for holding the 39th Annual General Meeting through video conferencing in accordance with applicable MCA Circulars. As per the provisions of section 117(2) of the Act, for the default in compliance with the requirements of this section 117 of the Companies Act, 2013 the Company may be liable to a penalty of upto

₹0.08 million and the officer(s) may be liable to a penalty of upto ₹0.05 million. The matter is pending before the RoC.

(v) Our Company and our Promoter & Managing Director, Prashant Garg have on February 10, 2024 voluntarily filed an application for adjudication vide e-Form GNL-1 before the RoC under section 454 of the Companies Act for the delay in filing MGT-14 for holding the 40th Annual General Meeting through video conferencing in accordance with applicable MCA Circulars. As per the provisions of section 117(2) of the Act, for the default in compliance with the requirements of this section 117 of the Companies Act, 2013 the Company may be liable to a penalty of upto ₹0.05 million and the officer(s) may be liable to a penalty of upto ₹0.05 million. The matter is pending before the RoC.

(vi) Our Company and our Promoter & Managing Director, Prashant Garg have on February 23, 2024 voluntarily filed application for adjudication vide e-Form GNL-1 before the RoC under section 454 of the Companies Act delay in filing Form MGT-14 for issuance of sweat equity shares during the fiscal 2009. As per the provisions of section 117(2) of the Act, for the default in compliance with the requirements of this section 117 of the Companies Act, 2013 the Company may be liable to a penalty of upto ₹0.24 million and the officer(s) may be liable to a penalty of upto ₹0.09 million. The matter is pending before the RoC.

(vii) Our Company and our Promoter & Managing Director, Prashant Garg have on February 29, 2024 voluntarily filed an adjudication application vide e-Form GNL-1 before the RoC under section 454 of the Companies Act for any deemed breach of section 67(3) of the Companies Act, 1956 in respect of the issue of sweat equity shares to 57 employees of the Company during Fiscal 2009. As per the provisions of section 629A of the erstwhile Companies Act, 1956 (corresponding section 450 of the Act), for the default in compliance with the requirements of this section 67(3) of the Companies Act, 1956 the Company may be liable to a penalty of upto ₹ 1.04 million and the officer(s) may be liable to a penalty of upto ₹ 0.06 million. The matter is pending before the RoC. For further details please see "*Risk Factor 8- Our Company had made allotment of equity shares in the past which was allotted to more than 49 investors, which may have been in non-compliance with the Companies Act, 1956.*" on page 43 of this Prospectus.

(viii) The Company and the Managing Director, Prashant Garg have on May 24, 2024 voluntarily filed applications for adjudication vide e-Form GNL-1 before the ROC under section 454 of the Companies Act for delay in filing Form MGT-14 for the board resolution passed on December 26, 2023 with respect to the approval accorded by our Board for investing the funds of our Company in our subsidiary company. As per the provisions of section 117(2) of the Companies Act, 2013, for the default in compliance with the requirements of this section 117 of the Companies Act, 2013 the Company may be liable to a penalty of upto ₹0.02 million and the officer(s) may be liable to a penalty of upto ₹0.02 million. The matter is pending before the ROC.

3. Material Civil proceedings

Nil

B. Litigation filed by our Promoters

1. Criminal proceedings

Nil

2. **Material Civil proceedings**

Nil

V. As on the date of this Prospectus, there is no litigation involving our Group Companies which may have a material impact on our Company.

VI. **Tax proceedings against our Company, Subsidiaries, Directors and Promoters.**

Except as disclosed below, there are no claims related to direct and indirect taxes, involving our Company, Subsidiaries, Directors and Promoters:

Nature of Proceedings	Number of cases	Amount involved (in ₹ million)
Our Company		
Direct tax	2	-*
Indirect tax	-	-
Directors		
Direct tax	-	-
Indirect tax	-	-
Promoters		
Direct tax	2	3.19
Indirect tax	-	-

** Amount not ascertainable*

OUTSTANDING DUES TO CREDITORS

In accordance with the Materiality Policy, details of outstanding dues (trade payables) owed to MSME (as defined under *section* 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2024, are set out below:

Types of creditors	Number of Creditors	Amount Outstanding (₹ In Millions)
Material Creditors	1	36.85
Micro, Small and Medium Enterprises*	142	109.76
Other creditors	272	162.22
Total	**415**	**308.83**

**As defined under the Micro, Small and Medium Enterprises Development Act, 2006.*

The details *pertaining* to outstanding dues to creditors as on March 31, 2024 along with the name and amount involved for each such Material Creditors, are available on the website of our Company *www.diffusionengineers.com.*

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, our Promoters nor our Directors are or have been classified as a wilful defaulter or fraudulent borrower by a bank or financial institution or a consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI.

MATERIAL DEVELOPMENTS

Except as disclosed in the chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 371 of this Prospectus, in the opinion of our Board, there have not arisen, since the date of the Restated Consolidated Financial Statements as disclosed in this Prospectus, any circumstances that materially and adversely affect, or are likely to affect within the next 12 months, our profitability taken as a whole or the value of our consolidated assets or our ability to pay material liabilities.

GOVERNMENT AND OTHER APPROVALS

We have set out below a list of consents, licenses, registrations, permissions and approvals from the Government of India and various governmental agencies required to be obtained by our Company which are considered material and necessary for the purposes of undertaking our present business activities and operations. In view of the approvals listed below, our Company can undertake this Issue and its business activities, as applicable. Our Company undertakes to obtain all material approvals and licenses and *permissions required to operate our present business activities.* Unless *otherwise stated, these approvals and licenses are valid as on the date of this Prospectus and in case of licenses and approvals which have expired we have either made application for renewal or are in the process of making an application for renewal.* For further details in connection with the regulatory and legal framework within which we operate, see the section titled "*Key Regulations and Policies*" on page 271.

The main objects clause of the Memorandum of Association *and objects* incidental *to the main objects enable our Company to undertake its existing business activities.Following statement sets out the details of* licenses*, permissions and approvals obtained by the Company under various central and state legislations for carrying out its business activities.*

I. INCORPORATION DETAILS OF OUR COMPANY

1. Certificate of incorporation dated November 05, 1982, issued to our Company by the Registrar of Companies, Maharashtra at Bombay.

2. Certificate of Registration of the Order of Court dated March 03, 1988, confirming transfer of Registered Office from one state to another, issued by the RoC, Karnataka at Bangalore consequent upon change in registered office from the state of Maharashtra to the state of Karnataka.

3. Certificate of incorporation dated July 03, 1995, issued by the RoC, Karnataka at Bangalore, consequent upon change in our name from 'Diffusion Engineers Private Limited to 'Diffusion Engineers Limited', pursuant to conversion of our Company from a private limited company to a public limited company.

4. Certificate of Registration of the Order of Court dated December 01, 1999, confirming transfer of Registered Office from one state to another, issued by the RoC, Karnataka at Bangalore, consequent upon change in registered office from the state of Karnataka to the state of Maharashtra.

5. Our Company has been allotted the corporate identity number U99999MH2000PLC124154.

II. APPROVALS IN RELATION TO THE ISSUE

For details regarding the approvals and authorizations obtained by our Company in relation to the Issue, please see *"Other Regulatory and Statutory Disclosures - Authority for the Issue"* on page 417 of this Prospectus.

III. APPROVALS IN RELATION TO OPERATIONS OF OUR COMPANY

A. Tax Related Approvals

1. The permanent account number of our Company is AAACD8008L and the same is valid until cancelled.

2. The tax deduction account number of our Company is NGPD00756A and the same is valid until cancelled.

3. The GST registration obtained by our Company is 27AAACD8008L1ZK, issued by the Government of India for GST payment in the state of Maharashtra where our business operations are situated and the same is valid until cancelled.

B. Labour Related Approvals

1. Under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, our Company has been allotted EPF code number NGNAG0061149000 and the same is valid until cancelled.

2. Under the provisions of the Employees' State Insurance Act, 1948 our Company has been allotted code number 23000033150000506 and the same is valid until cancelled.

3. Under the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975 our Company has been allotted registration number 27970000530 and the same is valid until cancelled.

C. Business Related Approvals

(i) General Approvals

1. Udyam Registration bearing number UDYAM-MH-20-0001714 dated July 29, 2020, as Medium Enterprise under the Micro, Small and Medium Enterprise Act, 2006 and the same is valid until modified/cancelled.

2. The import export code (IEC) of our Company is 0301033013 and the same is valid until cancelled.

(ii) <u>Unit I (T5 & T6, Nagpur Industrial Area, MIDC, Hingna, Nagpur)</u>

1. License to work a factory dated December 24, 2021, bearing registration number 12050202990000D issued by the Directorate of Industrial Safety and Health (Labour Department), Government of Maharashtra under the Factories Act, 1948, as amended (and rules made thereunder) valid upto December 31, 2024.

2. Consent to operate dated July 25, 2024, bearing number: Format1.0/RO/UAN No. MPCBCONSENT- 0000205956/CO/ 2407002492issued by Maharashtra Pollution Control Board under the Water Act, the Air Act, and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 valid upto March 31, 2030.

3. Certificate of Verification bearing LCR no. CLM31221614 dated March 13, 2023, under the Legal Metrology Act 2009 read with the Maharashtra Legal Metrology (Enforcement) Rules, 2011 and the same is valid until cancelled.

4. Subletting permission dated March 19, 2024 from Maharashtra Industrial Development Corporation for sub-letting Unit I to Diffusion Super Conditioning Services Private Limited, Diffusion Hernon Adhesive and Sealant Private Limited and Benvira Forward Algorithms Private Limited. This permission is valid until cancelled.

5. Provisional No Objection Certificate dated January 08, 2024 from fire safety authorities and the same is valid upto January 07, 2025.

(iii) **<u>Unit II (N78, N79, Nagpur Industrial Area, MIDC, Hingna, Nagpur)</u>**

1. License to work a factory dated December 24, 2021, bearing registration number 1205028244000D2 issued by the Directorate of Industrial Safety and Health (Labour Department), Government of Maharashtra under the Factories Act, 1948, as amended (and rules made thereunder) valid upto December 31, 2024.

2. Consent to operate dated July 31, 2024, bearing consent number Format1.0/RO/UAN No. MPCBCONSENT- 0000203374/CO/2407003086 issued by Maharashtra Pollution Control Board under the Water Act, the Air Act, and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 valid upto April 30, 2028.

3. Certificate of Verification bearing LCR no. CLM31221976 dated December 07, 2012 under the Legal Metrology Act 2009 read with the Maharashtra Legal Metrology (Enforcement) Rules, 2011 and the same is valid until cancelled.

4. Registration as Principal Employer bearing registration no. 1652300710004226, dated April 09, 2012 issued by Assistant Labour Commissioner Nagpur under the provisions of Contract Labour (Regulation and Abolition) Act, 1970 valid upto December 31, 2024.

5. Final No Objection Certificate dated August 29, 2017 from fire safety authorities and the same is valid until cancelled.

(iv) **<u>Unit III (T12, Nagpur Industrial Area, MIDC, Hingna, Nagpur)</u>**

1. Consent to operate dated February 18, 2022, bearing consent no. RO-NAGPUR/CONSENT/2202001135 issued by Maharashtra Pollution Control Board under the Water Act, the Air Act, and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 valid upto November 30, 2027.

2. Certificate of Verification bearing LCR no. CLM31221412 dated December 07, 2022 under the Legal Metrology Act 2009 read with the Maharashtra Legal Metrology (Enforcement) Rules, 2011. This certificate is valid until cancelled.

3. Subletting permission dated March 19, 2024 from Maharashtra Industrial Development Corporation for sub-letting Unit III to Diffusion Hernon Adhesive and Sealant Private Limited and the same is valid until cancelled.

4. Provisional No Objection Certificate dated January 08, 2024 from fire safety authorities and the same is valid upto January 07, 2025.

(v) <u>Unit IV (Khapri (Uma), Nagpur)</u>

1. License to work a factory dated December 24, 2021, bearing registration number 1205020299000D3 issued by the Directorate of Industrial Safety and Health (Labour Department), Government of Maharashtra under the Factories Act, 1948, as amended (and rules made thereunder) valid upto December 31, 2024.

2. Consent to operate dated July 26, 2024, bearing consent no. Format1.0/RO/UAN No. MPCBCONSENT- 0000206395/CO/2407002639 issued by Maharashtra Pollution Control Board under the Water Act, the Air Act, and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 valid upto February 28, 2029.

3. Certificate of Verification bearing LCR no. CLM31773172 dated June 06, 2023, under the Legal Metrology Act 2009 read with the Maharashtra Legal Metrology (Enforcement) Rules, 2011. This certificate is valid until cancelled.

4. Registration as Principal Employer bearing registration no. 1652300710005321 dated June 28, 2016 issued by Assistant Labour Commissioner Nagpur under the provisions of Contract Labour (Regulation and Abolition) Act, 1970 valid upto December 31, 2024.

5. Final No Objection Certificate dated February 10, 2023 from fire safety authorities and the same is valid until cancelled.

IV. APPROVALS APPLIED FOR BUT NOT YET RECEIVED:

1. Application for seeking Final No Objection Certificate from fire safety authorities for Unit I and III.
2. Our Company has on January 18, 2024 made an application vide no. 6263855 for registration of our logo ‘ ’ under Class 6 with the registrar of trademarks in India under the Trade Marks Act, 1999.

V. MATERIAL LICENSES/ APPROVALS REQUIRED BUT NOT OBTAINED OR APPLIED FOR:

Nil

VI. APPROVALS EXPIRED AND RENEWAL TO BE APPLIED FOR:

Nil

VII. APPROVALS OBTAINED IN RELATION TO INTELLECTUAL PROPERTY RIGHTS

As of the date of this Prospectus, our Company has 60 registered trademarks in the name of our Company as mentioned below:

Sr. No	Class of Trademark	Category	Trademark	Trademark Certificate No.	Date of Application	Validity
1	TM Class 6	Word	ABRALOY 300	1045675	16-09-2010	16-09-2030
2	TM Class 6	Word	ABROCAR 60	1055137	16-09-2010	16-09-2030
3	TM Class 6	Word	ABROCAR 184	1045598	16-09-2010	16-09-2030
4	TM Class 6	Word	ABROCAR 68	1054614	16-09-2010	16-09-2030
5	TM Class 6	Word	ARCALOY SUPER	1045809	16-09-2010	16-09-2030
6	TM Class 6	Word	BATRA-I	1050686	16-09-2010	16-09-2030
7	TM Class 6	Word	CACI 540	1050653	16-09-2010	16-09-2030
8	TM Class 6	Word	CORDIFF 53 ARC	1050556	16-09-2010	16-09-2030
9	TM Class 6	Word	CORDIFF 201	1050941	16-09-2010	16-09-2030
10	TM Class 6	Word	CORDIFF 203	1050623	16-09-2010	16-09-2030
11	TM Class 6	Word	CORDIFF 324	1051002	16-09-2010	16-09-2030
12	TM Class 6	Word	CORDIFF 341	1050866	16-09-2010	16-09-2030
13	TM Class 6	Word	CORDIFF 4351 B	1046627	16-09-2010	16-09-2030
14	TM Class 6	Word	CORDIFF 54 NM	1045732	16-09-2010	16-09-2030
15	TM Class 6	Word	CORDIFF 57	1045531	16-09-2010	16-09-2030
16	TM Class 6	Word	CORDIFF 57 BW	1054757	16-09-2010	16-09-2030
17	TM Class 6	Word	CORDIFF 59 L	1050748	16-09-2010	16-09-2030
18	TM Class 6	Word	CORDIFF 65 ZB	1050863	16-09-2010	16-09-2030
19	TM Class 6	Word	CORDIFF 66 W4	1054746	16-09-2010	16-09-2030
20	TM Class 6	Word	CORDIFF 72 ZBC	1050896	16-09-2010	16-09-2030
21	TM Class 6	Word	CORDIFF 270 K	1045695	16-09-2010	16-09-2030
22	TM Class 6	Word	CORDIFF 600 OA	1055082	16-09-2010	16-09-2030
23	TM Class 6	Word	CORDIFF 600 TIC	1054458	16-09-2010	16-09-2030
24	TM Class 6	Word	CORDIFF 760 NB	1054647	16-09-2010	16-09-2030
25	TM Class 6	Word	CORDIFF 801 ER	1054855	16-09-2010	16-09-2030
26	TM Class 6	Word	CORDIFF TT 400	1054374	16-09-2010	16-09-2030
27	TM Class 6	Word	DIFF TILES	1054953	16-09-2010	16-09-2030
28	TM Class 6	Word	DIFFUSALOY 656 CrNi	1051076	16-09-2010	16-09-2030
29	TM Class 6	Word	DIFFUSALOY 817	1054424	16-09-2010	16-09-2030
30	TM Class 6	Word	DIFFUSALOY 925	1050554	16-09-2010	16-09-2030
31	TM Class 6	Word	DIFFUSALOY 4351	1046769	16-09-2010	16-09-2030
32	TM Class 6	Word	DIFFUSALOY 6180	1045873	16-09-2010	16-09-2030
33	TM Class 6	Word	DIFFUSALOY ALBRO	1054612	16-09-2010	16-09-2030
34	TM Class 6	Word	DIFFUSALOY 815 SPECIAL	1046081	16-09-2010	16-09-2030
35	TM Class 6	Word	NODURON 160 N	1045960	16-09-2010	16-09-2030
36	TM Class 6	Word	UNILOY 624	1054837	16-09-2010	16-09-2030
37	TM Class 6	Word	SUPERALOY 1770	1055058	16-09-2010	16-09-2030

Sr. No	Class of Trademark	Category	Trademark	Trademark Certificate No.	Date of Application	Validity
38	TM Class 6	Word	FERROCAST 102	2265280	07-10-2017	07-10-2027
39	TM Class 6	Word	DIFFUSALOY 242	1821167	07-10-2017	07-10-2027
40	TM Class 7	Word	SOP	774289	31-05-2007	31-05-2027
41	TM Class 7	Word	DIFFUSALY 310	783374	31-05-2007	31-05-2027
42	TM Class 2	Device	DIFFCOR	1005751	17-06-2010	17-06-2030
43	TM Class 7	Word	CORODUR	774156	31-05-2007	31-05-2027
44	TM Class 7	Word	DIFFUSALOY 155	774155	31-05-2007	31-05-2027
45	TM Class 7	Word	DIFFUSALOY 181	773819	31-05-2007	31-05-2027
46	TM Class 7	Word	DIFFUSALOY 800 ELH	773882	31-05-2007	31-05-2027
47	TM Class 7	Word	DIFFUSALOY 316 L	774151	31-05-2007	31-05-2027
48	TM Class 7	Word	DIFFUSALOY 202	774158	31-05-2007	31-05-2027
49	TM Class 7	Word	DIFFUSALOY 618	774150	31-05-2007	31-05-2027
50	TM Class 7	Word	DIFFUSALOY 309 L	774154	31-05-2007	31-05-2027
51	TM Class 7	Word	DIFFUSALOY 316 L	774151	31-05-2007	31-05-2027
52	TM Class 7	Word	DIFFUSION	774064	31-05-2007	31-05-2027
53	TM Class 2	Device	DIFFGLASS	1007110	17-06-2010	17-06-2030
54	TM Class 9	Word	XALOY-52	163789	09-08-1983	09-08-2034
55	TM Class 9	Word	TUFALOY-320	163787	09-08-1983	09-08-2034
56	TM Class 6	Word	UNILOY 624	1054837	16-09-2010	16-09-2030
57	TM Class 6	Word	HADMOLOY 140	1824161	07-10-2017	07-10-2027
58	TM Class 6	Word	GRELOY-850	1824159	07-10-2017	07-10-2027
59	TM Class 6	Word	CINOD 160	1824158	07-10-2017	07-10-2027
60	TM Class 6	Word	BATRA-II	1205784	16-09-2010	16-09-2030

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board has approved the Issue pursuant to the resolution passed at its meeting held on December 13, 2023. Further, our Shareholders have approved the Issue pursuant to a special resolution passed on December 20, 2023 under Section 62(1)(c) of the Companies Act.

Our Board has on April 26, 2024 approved the Draft Red Herring Prospectus for filing with Securities and Exchange Board of India ("**SEBI**") and the Stock Exchanges.

Our Board has on September 20, 2024 approved the Red Herring Prospectus for filing with the RoC.

Our Company has received in-principle approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated July 26, 2024 and July 26, 2024, respectively.

Our Board has on September 30, 2024 approved the Prospectus for filing with SEBI and the Stock Exchanges.

Prohibition by SEBI or any other regulatory authorities

We confirm that our Company, our Subsidiary, our Promoters, the members of our Promoter Group, our Directors and persons in control of our Company or our Promoters are not prohibited from accessing the capital market for any reason or debarred from buying, selling or dealing in securities, under any order or directions by the SEBI or any other securities market regulator in any other jurisdiction or any other authority/ court as on the date of this Prospectus.

None of our Directors are associated with the securities market in any manner and there is no outstanding action against them initiated by the SEBI in the past five years against our Directors or any other entity with which our Directors are associated as promoters or director.

Our Company, Promoters or Directors have neither been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI. Further, there have not been any violations of securities laws by our Promoters and our Directors.

Further, none of our Promoters or Directors have been declared as fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Except as disclosed in Risk Factor no. 11 – "*There have been some instances of incorrect filings with the Registrar of Companies and other non-compliances under the Companies Act in the past which may attract penalties.*", our Company, our Promoters and the members of the Promoter group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent in force and applicable, as on the date of this Prospectus.

Other Confirmations

None of our Promoters, members of Promoter Group and Directors have been or are directors on the board of any company or limited liability partnership whose name appears in the lists of struck-off companies/limited liability partnerships by the registrar of companies:

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 6(1) of the SEBI ICDR Regulations, as set out under the eligibility criteria and as derived from the Restated Consolidated Financial Statements 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, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% of the net tangible assets are held as monetary assets, kindly refer section titled "*Financial Information*" beginning on page no. 325.

- Our Company has an average operating profit of at least ₹ 150.00 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years.

- Our Company has a net worth of at least ₹ 10.00 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis.

- There has been no change of name of our Company at any time during the one year immediately preceding the date of filing of this Prospectus.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profit and net worth, have been derived from the Restated Consolidated Financial Statements included in this Prospectus as at, and for the three immediately preceding Financial Years are disclosed below.

Derived from the Restated Consolidated Financial Statements:

(₹ in Million)

Particulars	**As at**		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Restated Net tangible assets [(a)]	1,958.36	1,456.68	1,240.25
Net worth [(b)]	1,907.04	1,419.97	1,206.48
Monetary assets [(c)]	78.13	45.31	35.66
Operation profits [(d)]	354.21	271.60	192.00
Monetary assets, as a % of net tangible assets (c) / (a)	3.99%	3.11%	2.88%

a) *"Net Tangible Assets" means the sum of all net assets (arrived at by deducting non-current liabilities, current liabilities from total assets) of the Company, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38 and deferred tax assets as defined in Ind AS 12 and excluding the impact of deferred tax liabilities as defined in Ind AS 12 issued by Institute of Chartered Accountants of India.*

b) *"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 on a restated basis.*

c) *"Monetary assets" represent the sum of cash and cash equivalents, other bank balances.*

d) *"Operating profit" is defined as profit before finance costs, other income and tax expenses*

Our Company has operating profits in each of the Fiscals 2024, 2023 and 2022 in terms of our Restated Consolidated Financial Statements as indicated in the table above.

We are eligible to undertake the Issue as per Rule 19(2)(b) of the SCRR read with Regulations 6(1) of the SEBI ICDR Regulations. Accordingly, in accordance with Regulation 32(1) of the SEBI ICDR Regulations we are required to allocate not more than 50% of the Net Issue to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Further not less than 35% of the Net Issue shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. In the event we fail to do so, the full application money shall be refunded to the Bidders.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees shall not be less than 1,000 failing which, the entire application money will be refunded forthwith in accordance with SEBI ICDR Regulations and other applicable laws. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Further, our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and has ensured compliance and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Also, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

a) Our Company, our Promoters, members of our Promoter Group, or our Directors are not debarred from accessing the capital markets by SEBI;

b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.

c) None of our Company, our Promoters and our Directors have been categorized as a wilful defaulter or a fraudulent borrower.

d) None of our Promoters nor any of our Directors have been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

e) As on the date of this Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or any other right which would entitle any person any option to receive Equity Shares

f) Our Company, along with the Registrar to the Issue, has entered into tripartite agreements dated December 11, 2012 and October 27, 2023 with National Securities Depository Limited ("**NSDL**") and Central Depository Services (India) Limited ("**CDSL**"), respectively, for dematerialization of the Equity Shares;

g) The Equity Shares of our Company held by our Promoters and Promoter Group members are in dematerialised form; and

h) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Prospectus.

DISCLAIMER CLAUSE OF SEBI

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE 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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, UNISTONE CAPITAL PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, UNISTONE CAPITAL PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, UNISTONE CAPITAL PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED APRIL 27, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. 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 applicable legal requirements pertaining to the Issue were complied with at the time of registering this Prospectus with the RoC in terms of Section 32 of the Companies Act. All applicable legal requirements pertaining to the Issue will be complied with at the time of registration of this Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company our Directors, the Promoters and the Book Running Lead Manager

Our Company, our Directors, the Promoters and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in the Prospectus or in any 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.diffusionengineers.com/ or any website of members of our Promoter Group, our Subsidiary, our Group Companies and any of our affiliates would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement, to be executed between the Underwriters and our Company.

All information was made available and 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 Centres or elsewhere.

None among our Company, the Promoters or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software or hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions 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.

Investors who Bid in the Issue were required to confirm and are deemed to have represented to our Company, the Promoters, the Underwriters and their respective directors, partners, designated partners, trustees, 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, the Promoters, the Underwriters and their respective directors, officers, partners, designated partners, trustees, 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 its respective associates and affiliates in their capacity as principals or agents, may engage in transactions with, and perform services for, our Company, our Subsidiary, and their respective 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, the Promoters, our Subsidiary, and their respective directors and officers, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Issue was being made in India to persons resident in India (including Indian nationals resident in India) who were competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who were authorized under their constitution to hold and invest in shares, multilateral and bilateral development financial institutions, public financial institutions as specified in Section 2(72) of the Companies Act, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs (under Schedule I of the FEMA Rules) and other eligible foreign investors, if any, provided that they were eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of this Issue will be subject to jurisdiction of the appropriate court(s) in Mumbai, Maharashtra, India only.

This Prospectus does not constitute an offer to sell an invitation to subscribe to or purchase the Equity Shares in the Issue in any jurisdiction, other than in India, to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Issue was made only pursuant to this Prospectus if the recipient was in India which comprised of this Prospectus. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

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 the Prospectus had been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby 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 the RedHerring Prospectus and this Prospectus nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date. Bidders were advised to ensure that any Bid from them did not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Eligibility and Transfer Restrictions

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and were not offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (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 U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares were offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Prospectus as "U.S. QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales were made. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”.

The Equity Shares were not registered, listed or otherwise qualified in any other jurisdiction outside India and were not offered or sold, and Bids were not 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 this Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Issue) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made unless made pursuant to Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws in the United States.

Bidders were advised to ensure that any Bid from them did not exceed investment limits or maximum number of Equity Shares that could be held by them under applicable law. Further, each Bidder where required agreed 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.

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 Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, is set forth below:

“BSE Limited has given vide its letter dated July 26, 2024, 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 shall be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, as set forth below:

"*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/3080 dated July 26, 2024, 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 the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares being issued in the Issue and National Stock Exchange of India Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within such time prescribed by SEBI. If our Company does not Allot Equity Shares pursuant to the Issue within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within three Working Days from the Bid/ Issue Closing Date.

If our Company does not Allot Equity Shares pursuant to the Issue within three Working Days from the Bid/ Issue 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.

Consents

Consents in writing of our Promoters, our Directors, our Company Secretary and Compliance Officer, Chief Financial Officer, Legal Counsel to the Issuer, the Book Running Lead Manager, Statutory & Peer Reviewed Auditor, the Registrar to the Issue, Banker to the our Company, independent chartered engineer in their respective capacities have been obtained; and consents in writing of the Syndicate Members, Underwriter, Monitoring Agency, Escrow Collection Bank(s), Banker(s) to the Issue/ Public Issue Bank(s)/ Refund Bank(s) and Sponsor Bank to act in their respective capacities, were obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Sections 26 and 32 of the Companies Act. Further, consents received prior to filing of this Prospectus have not been withdrawn up to the time of delivery of this Prospectus with SEBI

Experts to the Issue

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

Our Company has received written consents from the following persons to include their names in this Prospectus as an "Expert" as defined under Section 2(38) and 26 of the Companies Act, read with SEBI ICDR Regulations and such consents have not been withdrawn as on the date of this Prospectus:

a) Consent dated September 16, 2024, from our Statutory Auditor namely, M/s. PGS & Associates, Chartered Accountants, in respect of the examination report of the Statutory Auditors on the Restated Consolidated Financial Statements dated July 31, 2024 and Statement of Possible Special Tax Benefits dated September 16, 2024.
b) Consent dated September 19, 2024 from M/s. Sandeep Mashru & Co., Independent Chartered Engineers in respect of their (i) certificates dated August 21, 2024 on our Company's installed capacity and capacity utilization at our Units I, II, III and IV; (ii) certificate dated September 19, 2024 for the Proposed Facility; and (iii) certificate dated September 19, 2024 for the Proposed Expansion included in this Prospectus.
c) Consent dated August 21, 2024 from Madhav Kawade, Peer Reviewed Practicing Company Secretary for (i) the Physical ROC Search Report; and (ii) Compliance Certificate for the exit offer process.
d) Consent dated August 21, 2024 from P.M. Vala & Associates, Company Secretaries for the discrepancies / errors in RoC filing.

Such consents have not been withdrawn as on the date of this Prospectus. However, the term "expert" and the consent thereof shall not be construed to mean an "expert" or consent within the meaning as defined under the U.S. Securities Act.

Capital issue during the previous three years by our Company

Except as disclosed in *"Capital Structure – Notes to the capital structure"* on page 107 of this Prospectus, our Company has not made any capital issues during the previous three years.

Public or rights issues by our Company during the last five (5) years

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Prospectus.

Commission and brokerage on previous issues

Since this is an Initial Public Issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the five years preceding the date of this prospectus.

Capital issue during the previous three years by listed Group-Companies/ subsidiaries/ associates of our Company

Except as stated under chapter titled *"Capital Structure"* beginning on page 107 of the Prospectus, our Company has not undertaken any capital issue. As on the date of this Prospectus, our Company does not have any listed subsidiary or associate companies.

None of our Group Companies have their equity shares listed on the Stock Exchanges.

Performance vis-a-vis objects – Public/ rights issue of our Company

Except as stated under chapter titled *"Capital Structure"* beginning on page 107 of the Prospectus, our Company has not undertaken any previous rights issue. Further, this Issue is an "Initial Public Issue" in terms of SEBI ICDR Regulations and our Company has not undertaken any previous public issue.

Performance vis-a-vis objects – Last one Public Issue/ Rights Issue of Subsidiaries/ Listed Promoters

Our Company has not undertaken any rights issue in the five years preceding the date of this Prospectus. Our Company has not made any public issues in the five years preceding the date of this Prospectus. As on the date of this Prospectus, our Company does not have any listed Subsidiary.

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Price Information and track record of past issued handled by the Book Running Lead Manager

Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by
Unistone Capital Private Limited

Sr. No.	Issue Name	Issue Size (Millions)	Issue price	Listing date	Opening price on listing date	+/-% change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/-% change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
Main Board								
1	Valiant Laboratories Limited	15,246.00	140	October 06, 2023	162.15	37.75% [-2.15%]	24.89% [10.20%]	12.04% [14.15%]
2	BLS E-Services Limited	30,929.29	135	February 06, 2024	305.00	138.04% [2.57%]	117.59% [2.34%]	64.86% [12.71%]
3	Exicom Tele-Systems Limited	42,899.90	142	March 05, 2024	265.00	46.41% [0.71%]	113.49% [4.06%]	171.51% [12.88%]
4	Platinum Industries Limited	23,531.69	171	March 05, 2024	225.00	19.36% [0.71%]	15.32% [4.06%]	143.19% [12.88%]
5	Saraswati Saree Depot Limited	16,001.28	160	August 20, 2024	194.00	6.98% [2.90%]	-	-
6	Shree Tirupati Balajee Agro Trading Company Limited	16,965.20	83	September 12, 2024	90.00	-	-	-
7	Arkade Developers Limited	4,100.00	128	September 24, 2024	175.00	-	-	-
SME Platform								
1	Unihealth Consultancy Limited	5,654.88	132	September 21, 2023	135.00	4.85% [-1.01%]	-3.86% [7.13%]	-1.52% [10.51%]
2	Manglam Infra & Engineering Limited	2,761.92	56	July 31, 2024	106.40	19.73% [1.14%]	-	-
3	Deccan Transcon Leasing Limited	650.59	108	September 24, 2024	116	-	-	-

Source: www.nseindia.com

(1) NSE as Designated Stock Exchange.

Notes:

- Issue size derived from Prospectus/final post issue reports, as available.
- The CNX NIFTY is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- Price on NSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
- Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

Summary statement of price information of past public issues handled by Unistone Capital Private Limited

Financial year	Total no. of IPO*	Total funds Raised (₹ Mn)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30th Calendar day from listing date			Nos of IPOs trading at discount on 180th Calendar day from listing date			Nos of IPOs trading at premium on 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%
Main Board														
FY 2022-23	1	1,549.80	-	-	-	1	-	-	-	-	-	-	1	-
FY 2023-24	5	12,911.01	-	-	-	1	2	2	-	-	-	3	1	1
FY 2024-25	3	7,396.65	-	-	-	-	-	1	-	-	-	-	-	-
SME Platform														
FY 2022-23	2	609.44	-	-	-	-	1	1	-	-	-	-	1	1
FY 2023-24	5	1.692.60	-	-	-	-	2	3	-	-	1	2	1	1
FY 2024-25	2	926.78	-	-	-	-	-	1	-	-	-	-	-	-

Track record of past issues handled by the Book Running Lead Manager

For details regarding the track record of the BRLM, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website www.unistonecapital.com

Mechanism for Redressal of Investor Grievances

In terms of 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, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. 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. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLM shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount for the period of such delay. 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.

The processing fees for applications made by UPI 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/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled/withdrawn/deleted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation/withdrawal/deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock

Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalization of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-issue BRLM shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares pursuant to the Issue, or such other period as may be prescribed under applicable law to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances in relation to the Bidding process, other than of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to 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, Bidder's DP ID, Client ID, UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or the application number duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM with whom the Bid cum Application Form was submitted by the Anchor Investor.

For helpline details of the Book Running Lead Manager pursuant to March 2021 Circular, see "General Information" on page 97.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Issue 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 Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with their obligations under applicable

SEBI ICDR Regulations. In terms of the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, 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.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 7 (seven) Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has obtained authentication on the SCORES and will comply with SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) and any amendment thereto, in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship to review and redress the shareholders and investor 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, please refer to the chapter titled *"Our Management"* beginning on page 292 of this Prospectus.

Our Company has appointed Chanchal Jaiswal, as the Company Secretary & Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Chanchal Jaiswal
c/o Diffusion Engineers Limited
T-5 & T-6, Nagpur Industrial Area, MIDC,
Hingna, Nagpur - 440016 Maharashtra
Website: www.diffusionengineers.com
Email id: cs@diffusionengineers.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company has not received any investor complaint during the three years preceding the date of this Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Prospectus.

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 from the SEBI, as on the date of this Prospectus.

SECTION VII - ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered and Allotted pursuant to this Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, the AoA, SEBI Listing Regulations, the terms of this Prospectus, Red Herring Prospectus, the Abridged Prospectus, the 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 Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/ or any other authorities while granting their approval for the Issue.

The Issue

The Issue comprises a Fresh Issue by our Company.

Expenses for the Issue shall be borne our Company in the manner specified in "*Objects of the Issue-Issue related expenses*" on page 176.

Ranking of Equity Shares

The Equity Shares being Allotted pursuant to the Issue shall rank pari passu in all respects with the existing Equity Shares including in respect of voting and the right to receive dividend. The Allottees upon Allotment of Equity Shares in the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of the Allotment. For further details, see *"Main Provisions of Articles of Association"* beginning on page 473 of this Prospectus.

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 the Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the Allotment of Equity Shares), will be payable to the Bidders who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see *"Dividend Policy"* and *"Main Provisions of Articles of Association"* beginning on pages 324 and 473 respectively of this Prospectus.

Face Value, Issue Price and Price Band

The face value of each Equity Share is ₹ 10/- and the Issue Price at the lower end of the Price Band is ₹ 159 per Equity Share and at the higher end of the Price Band is ₹ 168 per Equity Share. The Floor Price of the Equity Shares is ₹ 159 per Equity Share and the Cap Price of the Equity Shares is ₹ 168 per Equity Share. The Anchor Investor Issue Price is ₹ 168 per Equity Share.

The Issue Price, Price Band and the minimum Bid Lot, was decided by our Company and the Promoters, in consultation with the Book Running Lead Manager, and advertised in all editions of Business Standard, an English national daily newspaper and all editions of Business Standard, a Hindi national daily newspaper and all edition of Yuvarashtra Darshan, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Issue Opening Date and was made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination of Equity Shares, unless otherwise permitted by law.

Employee Discount

Employee discountwas offered to Eligible Employees bidding in the Employee Reservation Portion respectively. Eligible Employees bidding in the Employee Reservation Portion respectively at a price within the Price Band can make payment at Bid Amount, that is, Bid Amount net of employee discount, if any, as applicable at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion respectively at the Cut-Off Price were required ensure payment at the Cap Price, less employee discount, if any, as applicable, at the time of making a Bid.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, etc., see *"Main Provisions of Articles of Association"* beginning on page 473 of this Prospectus.

Allotment only dematerialized form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be allotted only dematerialized form and trading of the Equity Shares shall also only be dematerialized form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite agreement dated December 11, 2012 amongst our Company, NSDL and the Registrar to the Issue.
- Tripartite agreement dated October 27, 2023 amongst our Company, CDSL and the Registrar to the Issue.

Market Lot and Trading Lot

Since trading of the Equity Shares is dematerialized form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of 88 Equity Share subject to a minimum Allotment of 88 Equity Shares for Retail Individual Bidders and Minimum NIB Application Size for Non-Institutional Bidders.

Joint holders

Where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Jurisdiction

The courts of Mumbai, Maharashtra, India will have exclusive jurisdiction in relation to this Issue.

Period of operation of subscription list

See “Bid/Issue Programme” on page 435.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, and the rules framed thereunder, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only in the prescribed form available on request at our Registered Office or to the Registrar and Transfer Agent of our Company.

Further, 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 or variation to our Company in the prescribed form.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or
b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, 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 Issue will be made only dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository

Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/ Issue Programme

BID/ ISSUE OPENED ON	Thursday, September 26, 2024*
BID/ ISSUE CLOSEED ON	Monday, September 30, 2024**

* Our Company may, in consultation with the Promoters and the Book Running Lead Manager, consider participation by Anchor Investors. Our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLM, in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"). The Anchor Investor Bid/ Issue Period was one Working Day prior to the Bid/ Issue Opening Date, i.e., Wednesday, September 25, 2024, in accordance with the SEBI ICDR Regulations.

** UPI mandate end time and date shall be at 5:00 pm on Bid/ Issue Closing Date.

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about Tuesday, October 01, 2024
Initiation of refunds (if any, for Anchor Investors)/ unblocking of funds from ASBA Account*	On or about Thursday, October 03, 2024
Credit of Equity Shares to demat accounts of Allottees	On or about Thursday, October 03, 2024
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Friday, October 04, 2024

* *In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 read with SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our 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. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day or 15% of the application amount, whichever is higher, for the entire duration of delay exceeding two Working Days from the Bid/ Issue Closing Date in terms of the UPI Circulars by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For details, please see "Issue Procedure" beginning on page 446 of this Prospectus.*

The processing fees for applications made by the UPI Bidders 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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The above timetable is indicative and does not constitute any obligation or liability on our Company, the Promoters or the Book Running Lead Manager.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days from the Bid/ Issue Closing Date or such period as may be prescribed, with reasonable support and co-operation of the Promoters, as may be required in respect of his portion of the Issued Shares, the timetable may change due to various factors, any delay in receiving the final listing and trading approval from the Stock Exchanges. In terms of the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, our Company shall within four days from the closure of the Issue, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. 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 vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings ("IPO"). The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Issue will be made under UPI Phase III on mandatory basis, subject to the timing of the Issue and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

The BRLM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within such period as may be prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Prospectus may result in changes to the abovementioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Issue Period (except the Bid/ Issue Closing Date)	
Submission and Revision in Bids	Only between 10:00 a.m. and 5:00 p.m. Indian Standard Time ("**IST**")
Bid/ Issue Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIIs, other than QIBs and Non-Institutional Investors	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non- Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non- Individual Applications of QIBs and Non-Institutional Investors	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	

Upward Revision of Bids by QIBs and Non-Institutional Investors categories#	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 4.00 p.m. IST on Bid/Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIIs	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 5.00 p.m. IST on Bid/Offer Closing Date

* UPI mandate end time and date shall be at 5.00pm on Bid/Offer Closing Date

\# QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/ withdraw their Bids.

On the Bid/ Issue 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

(i) until 5:00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

On Bid/ Issue Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion after taking into account the total number of Bids received and as reported by the Book Running Lead Manager to the Stock Exchanges.

The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the Registrar to the Issue on a daily basis, as per the format prescribed in March 2021 Circular and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

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.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, Bidders were advised to submit their Bids one day prior to the Bid/ Issue Closing Date no later than 1.00 p.m. (Indian Standard Time). 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/ Issue 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 Issue. Bids and any revision in Bids will be accepted only during Working Days. 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 and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange platform during the Bid/ Issue Period till 5.00 pm on the Bid/ Issue Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

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.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

None among our Company and the Promoters or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or the blocking of Bid Amount in the ASBA Account on receipt of instructions 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.

Our Company in consultation with the Promoters and the Book Running Lead Manager, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price and shall at all times be at least 105% of the Floor Price.

In case of revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company and the Promoters in consultation with the BRLM may, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of one Working Day, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries. In case of revision of price band, the Bid lot shall remain the same.

Minimum Subscription

If our Company does not receive the minimum subscription in the Issue as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Issue on the Bid/Issue Closing Date; or if the subscription level falls below 90% after the closure of Issue on account of withdrawal of applications; or after technical rejections; or any other reason; or in case of devolvement of Underwriting or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Issue, our Company shall forthwith refund the entire subscription amount received in accordance with applicable laws, including the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum. In the event of an under-subscription in the Issue, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Issue prior to the Equity Shares offered pursuant to the Issue for Sale.

In the event of achieving aforesaid minimum subscription, however, there is under-subscription in achieving the total Issue size, the Equity Shares will be Allotted in the following order:

(i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Issue portion is subscribed;
(ii) once Equity Shares have been Allotted as per (i) above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Issue portion;

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders.

Subject to valid Bids being received at or above the Issue 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 in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded dematerialized form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restrictions, if any on transfer and transmission of Equity Shares

Except for the lock- in of the pre-Issue Equity Share Capital of our Company, lock- in of the Promoter's contribution and the Anchor Investor lock- in as provided in *"Capital Structure"* beginning on page 107 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of the Equity Shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see *"Main Provisions of Articles of Association"* beginning on page 473 of this Prospectus.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Issue.

Allotment only in Dematerialized Form

Pursuant to Section 29 of the Companies Act, the Equity Shares in the Issue shall be allotted only dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be dematerialized form on the Stock Exchanges.

Withdrawal of the Issue

If our Company does not receive the minimum subscription in the Issue as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/ Issue Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/ Issue Closing Date due to withdrawal of Bids or technical rejections or any other reason; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Issue, our Company, in consultation with the BRLM, shall withdraw the Issue.

Further, our Company, in consultation with the BRLM, reserve the right not to proceed with the Issue after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLM, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank(s), in case of UPI Bidders, to unblock the bank accounts of the ASBA Bidders and the BRLM shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. In terms of the UPI Circulars, in relation to the Issue, the Book Running Lead Manager will submit reports of compliance with the applicable listing timelines and activities, identifying nonadherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within such time period as prescribed under Applicable Law and also inform the Bankers to the Issue to process refunds to the Anchor Investors, as the case may be. If our Company withdraws the Issue at any stage including after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

ISSUE STRUCTURE

Initial Public Issue of up to 9,405,000 Equity Shares for cash at a price of ₹ 168 per Equity Share (including a premium of ₹ 158 per Equity Share) aggregating to ₹ 1,579.64* Million. The Issue includes a reservation of up to 50,000 Equity Shares aggregating to ₹8.00 million for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed 5% of our post-Issue paid-up Equity Share capital. The Issue and Net Issue shall constitute 25.00% and 25.13% of the post- Issue paid-up Equity Share capital of our Company. The face value of the Equity Shares is ₹ 10/- each. The Issue is being made through the Book Building Process.

Particulars of the Issue	Qualified Institutional Buyers[(1)]	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees[#]
Number of Equity Shares available for allocation/ allotment*[(2)]	Not more than 46,77,500 Equity Shares of face value ₹10/- each	Not less than 14,03,250 Equity Shares of face value ₹10/- each	Not less than 32,74,250 Equity Shares of face value ₹10/- each	50,000 Equity Shares of face value ₹10/- each
Percentage of Issue Size available for allocation/ allotment	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue or the Issue less allocation to QIBs and Retail Individual Bidders was available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion was available for allocation to Non-Institutional Bidders with a Bid size more than ₹ 200,000 to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion was available for allocation to Non-Institutional Bidders with a Bid size of more than ₹ 1,000,000	Not less than 35% of the Net Issue shall be available for allocation	0.13% of the post Issue paid-up equity share capital of our Company
Basis of Allotment/ Allocation if	Proportionate as follows (excluding	Allotment to each of the Non-Institutional	Allotment to each Retail Individual	Proportionate; unless the Employee

Particulars of the Issue	Qualified Institutional Buyers(1)	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees#
respective category is oversubscribed*	the Anchor Investor Portion): (a) 93,550 Equity Shares of face value ₹10/- each were available for allocation on a proportionate basis to Mutual Funds only; and (b) 17,77,450 Equity Shares of face value ₹10/- each were available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. 28,06,500 Equity Shares of face value ₹10/- each were allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	Bidder shall not be less than the Minimum NIB Application Size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations	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, *"Issue Procedure"* on page 446.	Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000 (net of Employee Discount). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees Bidding in the Employee Reservation Portion for value exceeding ₹200,000 (net of Employee Discount), subject to total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount)
Mode of Bid^	Only through the ASBA process (except for Anchor Investors) (excluding the UPI Mechanism).	Only through the ASBA process (including the UPI Mechanism for a Bid size of up to ₹ 500,000)	Only through the ASBA process (including the UPI Mechanism	Only through the ASBA process (except for Anchor Investors)
Minimum Bid	Such number of Equity Shares in multiples of 88 Equity Shares such that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of 88 Equity Shares such that the Bid Amount exceeds ₹ 200,000	88 Equity Shares	88 Equity Shares and in multiples of 88 Equity Shares thereafter

Particulars of the Issue	Qualified Institutional Buyers(1)	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees#
Maximum Bid	Such number of Equity Shares in multiples of 88 Equity Shares not exceeding the size of the Net Issue (excluding the Anchor Portion), subject to limits as applicable to each Bidder	Such number of Equity Shares in multiples of 88 Equity Shares not exceeding the size of the Net Issue (excluding the QIB Portion), subject to limits applicable to Bidder	Such number of Equity Shares in multiples of 88 Equity Shares such that the bid amount does not exceed ₹ 200,000	Such number of Equity Shares in multiples of 88 Equity Shares so as to ensure that the Bid Amount by each Eligible Employee does not exceed ₹500,000 less Employee Discount, if any
Mode of Allotment	Compulsorily in dematerialized form.			
Bid Lot	88 Equity Shares and in multiples of 88 Equity Shares thereafter			
Allotment Lot	A minimum of 88 Equity Shares and in multiples of one Equity Shares thereafter in multiples of one Equity Share.			
Trading Lot	One Equity Share			
Who can apply(3) (4)	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund set	Resident Indian Individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, family offices and trusts for Equity Shares such that the Bid Amount exceeds ₹ 200,000 in value.	Resident Indian individuals, HUFs (in the name of Karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed ₹ 200,000 in value.	Eligible Employees

Particulars of the Issue	Qualified Institutional Buyers(1)	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees#
	up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs			
Terms of Payment	**In case of Anchor Investors:** Full Bid amount shall be payable by the Anchor Investors at the time of submission of their Bids.(4) **In case of all other Bidders:** Full Bid amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder, or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form			

**Subject to finalization of Basis of Allotment*

 # Eligible Employees Bidding in the Employee Reservation Portion could Bid up to a Bid Amount of ₹ 500,000 (net of Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000 (net of Employee Discount). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion was available for allocation and Allotment, proportionately to all Eligible Employees who had Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). An Eligible Employee Bidding in the Employee Reservation Portion (subject to Bid Amount being up to ₹ 200,000) could also Bid in the Retail Portion, and such Bids were not considered multiple Bids. However, Bids by Eligible Employees Bidding in the Employee Reservation Portion and in the Non-Institutional Portion were treated as multiple Bids, subject to applicable limits. The unsubscribed portion, in the Employee Reservation Portion was added back to the Net Issue. In case of under-subscription in the Net Issue, spill-over to the extent of such under-subscription was permitted from the Employee Reservation Portion.

^ SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in Public Issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, Non-Institutional Bidder and RIBs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

(1) Our Company and the Promoters, in consultation with the Book Running Lead Manager, had allocated up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof was permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor made a minimum Bid of such number

of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion was added to the Net QIB Portion.

(2) Subject to valid Bids having been received at or above the Issue Price. This is an Issue in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. This Issue is was made through the Book Building Process in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Issue 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 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 Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion were added to the remaining QIB Portion for proportionate allocation to all QIBs. Further, (a) not less than 15% of the Net Issue was available for allocation to Non-Institutional Bidders (out of which (i) one third was reserved for applicants with application size of more than ₹0.20 million and up to ₹1 million, and (ii) two-thirds was reserved for applicants with application size of more than ₹ 1 million provided that the unsubscribed portion in either of such sub-categories was allocated to applicants in the other sub-category of Non-Institutional Bidders) and (b) not less than 35% of the Net Issue 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 Issue. Subject to valid Bids having been received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion was allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription in the QIB Portion was not allowed to be met with spill-over from other categories or a combination of categories.

(3) In case of joint Bids, the Bid cum Application Form contained only the name of the first Bidder whose name appeared as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder was required in the Bid cum Application Form and such first Bidder was deemed to have signed on behalf of the joint holders. Our Company reserved the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

(5) Anchor Investors are not permitted to use the ASBA process.

Bidders will be required to confirm and will be deemed to have represented to our Company, 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.

Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid.

Subject to valid Bids having been received at or above the Issue Price, undersubscription, if any, in any category except the QIB Portion, could have been met with spill-over from the other categories or a combination of categories at the discretion of our Company and the Promoters, in consultation with the Book Running Lead Manager and the Designated Stock Exchange, on a proportionate basis. For further details, please see the chapter titled *"Terms of the Issue"* beginning on page 432 of this Prospectus.

ISSUE PROCEDURE

All Bidders were required to read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 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 is 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 Issue.

*Bidders could refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Bidders applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("**UPI Phase I**"), until June 30, 2019.*

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the prior process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism for such Bids with a timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever was later ("UPI Phase II"). Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Bidders in initial public offerings whose application sizes are up to ₹0.50 million shall use the UPI Mechanism. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Circular"), the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI Bidders ("UPI Phase III") was made voluntary for public issues opening on or after September 1, 2023, and has been made mandatory for public issues opening on or after December 1, 2023. This Issue has been undertaken pursuant to the processes and procedures under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, had introduced certain additional measures for streamlining the process of initial public issues and redressing investor grievances. Subsequently, the SEBI RTA Master Circular consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) and rescinded these *circulars to the extent relevant for the RTAs. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in T+3 Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.*

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue Closing Date, in accordance with the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, has reduced the timelines for refund of Application money to four days.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Bidders were advised to make their independent investigations and ensure that their Bids were submitted in accordance with applicable laws and did not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus.

The BRLM shall be the nodal entity for any issues arising out of public issuance process.

Our Company and the BRLM are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Book Building Procedure

The Issue was made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Issue was available for allocation to QIBs on a proportionate basis, provided that our Company in consultation with the BRLM allocated up to 60% of the QIB Portion 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 having been received from them at or above the Anchor Investor Allocation Price. Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion was available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids having been received at or above the Issue Price. Further, not less than 15% of the Net Issue was available for allocation to Non-Institutional Bidders and not less than 35% of the Net Issue was available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received at or above the Issue Price. 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 Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other subcategory of Non-Institutional Bidders.

Furthermore, up to 50,000 Equity Shares of face value ₹10/- each, aggregating up to ₹ 8.00*# million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Issue Price, if any.

**Subject to finalisation of Basis of Allotment*
#A discount of ₹ 8 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion

Under-subscription, in any category except in the QIB Portion, was allowed to be met with spill over from any other category or combination of categories on proportionate basis, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to applicable laws. Under-subscription, in the QIB Portion, was not allowed to be met with spill-over from any other category or a combination of categories. Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion was Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 (net of Employee Discount) subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, in the Employee Reservation Portion was required to be added to the Net Issue.

The Equity Shares, on Allotment, were required to be traded only in the dematerialized segment of the Stock Exchanges.

Investors were required ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press releases dated June 25, 2021 and September 17, 2021.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for UPI Bidders Bidding through the UPI Mechanism), 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 dematerialized subsequent to Allotment of the Equity Shares in the IPO.

Phased implementation of UPI for Bids by RIBs as per the UPI Circulars

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, inter alia, 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 UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. The SEBI in its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, has reduced the time period for listing of equity shares pursuant to a public issue from six Working Days to three Working Days. The timeline was applicable on a voluntary basis for public issues opening on or after September 1, 2023 and has been made applicable on a mandatory basis for public issues opening on or after December 1, 2023.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:

(a) **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 until June 30, 2019. Under this phase, an RIB also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

(b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an RIB through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.

(c) **Phase III:** The Phase III commenced voluntarily for all public issues opening on or after September 1, 2023 and is mandatory for all public issues opening on or after December 1, 2023 as per the SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. In this phase, the time duration from public issue closure to listing is reduced to three Working Days. The Issue has been undertaken pursuant to the processes and procedures as notified in the T+3 Circular as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalized under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post– Issue BRLM will be required to compensate the concerned investor.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

Our Company has appointed 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 UPI Bidders using the UPI.

The processing fees for applications made by UPI Bidders 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/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 NPCI vide circular reference no. NPCI/UPI/OC No. 127/ 2021-22 dated December 09, 2021, inter alia, has enhanced the per transaction limit in UPI from more than ₹0.20 million to ₹0.50 million for UPI based ASBA in initial public offerings

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

Electronic registration of Bids

a) The Designated Intermediary could register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries could also set up facilities for off-line electronic registration of Bids, subject to the condition that they would subsequently upload the off-line data file into the online facilities for the Book Building process on a regular basis before the closure of the Issue.

b) On the Bid / Issue Closing Date, the Designated Intermediaries could upload the Bids till such time would have been permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) Only Bids that were uploaded on the Stock Exchanges' platform were considered for allocation / Allotment. The Designated Intermediaries were given till 5:00 pm on the Bid / Issue Closing Date to modify select fields uploaded in the Stock Exchanges' platform during the Bid / Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

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 relevant Bidding Centers and at our Registered. An electronic copy of the ASBA Form were made available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid / Issue Opening Date.

Copies of the Anchor Investor Application Form were made available at the offices of the BRLM.

All Bidders (other than Anchor Investors) were required to compulsorily use the ASBA process to participate in the Issue.

Anchor Investors were not permitted to participate in this Issue through the ASBA process.

Bidders (other than Anchor Investors and UPI Bidders Bidding using the UPI Mechanism) were required to provide bank account details authorization by the ASBA account holder to block funds in their respective ASBA accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that did not contain such details are liable to be rejected.

Retail Individual Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) were required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by Retail Individual Bidders with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. UPI Bidders Bidding using the UPI Mechanism applied through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders nsured that the Bids were submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. Bidders using the ASBA process to participate in the Issue ensured that the ASBA Account had sufficient credit balance such that an amount equivalent to the full Bid Amount blocked therein. In order to ensure timely information to investors SCSBs were required to send SMS alerts to investors intimating them about the Bid Amounts blocked / unblocked.

Since the Issue is made under Phase III, ASBA Bidders may submit the ASBA Form in the manner below:

i. RIBs and NIBs (other than NIBs using UPI Mechanism) submitted their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
ii. UPI Bidders submitted their ASBA Forms with the 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.
iii. QIBs and NIBs (not using the UPI Mechanism) submitted their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.
iv. ASBA Bidders were also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which was blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs were required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked including details as prescribed in Annexure II of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

ASBA Bidders were also required to ensure that the ASBA Account had sufficient credit balance as an amount equivalent to the full Bid Amount which was blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs were required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in Public Issues processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular was applicable for all categories of investors viz. Retail, QIB and NIB and also for all modes through which the applications are processed.

Non-Institutional Bidders bidding through UPI Mechanism was provided the UPI ID in the relevant space provided in the Bid cum Application Form. UPI Bidders Bidding using the UPI Mechanism.

The colour of the Bid cum Application Forms for various categories was as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	Blue
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	White
Anchor Investors	White
Eligible Employees Bidding in the Employee Reservation Portion#	Pink

**Excluding electronic Bid cum Application Forms*
 # Bid cum Application Forms for Eligible Employees were available at the Registered Office of our Company.
Notes:

(1) Electronic Bid cum Application forms were made available for download on the website of NSE (www.nseindia.com) and www.bse.com).
(2) Bid cum Application Forms for Anchor Investors were made available at the offices of the BRLM.

In case of ASBA Forms, the relevant Designated Intermediaries were required to upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non SCSB bank or any Escrow Collection Bank(s). For UPI Bidders using the UPI Mechanism, the Stock Exchanges were required to share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Bank(s) were required to initiate request for blocking of funds through NPCI to RIBs, accepted the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI were required to 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 was with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI were required to share the audit trail of all disputed transactions / investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Issue shall provide the audit trail to the BRLM for analyzing the same and fixing liability. For ensuring timely information to investors, SCSBs were required to send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

For all pending UPI Mandate Requests, the Sponsor Bank were required to initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) were required to undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) were required to undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer downloaded UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI was required to to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Sponsor Bank(s) hosted a web portal for intermediaries (closed user group) from the date of Bid / Issue 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 Issue Bidding process.

Participation by Promoters, Promoter Group, the BRLM, associates and affiliates of the BRLM and the Syndicate Members and the persons related to Promoters, Promoter Group, BRLM and the Syndicate Members and Bids by Anchor Investors The BRLM and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLM and the Syndicate Members may purchase Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, AIFs or FPIs other than individuals, corporate bodies and family offices sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associates of the BRLM, no BRLM or their respective associates could apply in the Issue under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an "associate of the Book Running Lead Manager" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLM.

Further, the Promoters and members of the Promoter Group should not participate by applying for Equity Shares in the Issue, except in accordance with the applicable law. Furthermore, persons related to the Promoters and the Promoter Group shall not apply in the Issue under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders' agreement or voting agreement entered into with any of the Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoters or Promoter Group of our Company.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate was required to be lodged with the Bid cum Application Form. Failing this, the Company in consultation with BRLM reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds were required to specifically state names of the concerned schemes for which such Bids were made.

In case of a Mutual Fund, a separate Bid could have been made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid were submitted.

No Mutual Fund scheme could 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% was not to be applicable for investments in case of index funds or sector or industry specific scheme. 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 could obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange was considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorize their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External Accounts ("**NRE Account**"), or Foreign Currency Non-Resident Accounts ("**FCNR Account**"), and Eligible NRIs bidding on a non-repatriation basis should authorized their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NR**O") accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. NRIs applying in the Issue through the UPI Mechanism were advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Participation of Eligible NRIs in the Issue was be subject to the FEMA regulations. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, could not exceed 5% of the total paid-up equity capital on a fully diluted basis or could not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together could not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% could have been raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs were permitted to apply in the Issue through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs could use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Issue, provided the UPI facility was enabled for their NRE / NRO accounts.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non Residents (White in colour). Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (Blue in colour). By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

For details of restrictions on investment by NRIs, see "Restrictions on Foreign Ownership of Indian Securities" on page 471.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, were required to be made in the individual name of the Karta. The Bidder was required to specify that the Bid was being made in the name of the HUF in the Bid cum Application Form / Application Form as follows: "Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs were considered at par with Bids from individuals.

Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) was required to below 10% of our post-Issue Equity Share capital on a fully diluted basis. In case the total holding of an FPI or investor group increase beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment was made by the FPI or investor group was required to re-classify as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor was required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations were required to be attached to the Bid cum Application Form, failing which our Company in consultation with BRLM, reserve the right to reject any Bid without assigning any reason.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (White in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time dematerialization 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 Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 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 were issued only by persons registered as Category I FPIs;
(b) such offshore derivative instruments were issued only to persons eligible for registration as Category I FPI
(c) such offshore derivative instruments were issued after compliance with the 'know your client' norms as specified by SEBI; and
(d) such other conditions as may be specified by SEBI from time to time.

An FPI was 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 Regulation 21(1) of 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 were to be transferred, are pre-approved by the FPI.

Participation of FPIs in the Issue were subjected to the FEMA Rules. The FPIs who wished to participate in the Issue were advised to use the Bid cum Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN could have been treated as multiple Bids and were liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI FPI Regulations (such structure "**MIM Structure**") provided such Bids had been made with different beneficiary account numbers, Client IDs and DP IDs.
Accordingly, it has to be noted that multiple Bids received from FPIs, who did not utilize the MIM Structure, and bore the same PAN, were liable to be rejected. Bids by FPIs could not be treated as multiple Bids, in the following cases:

- FPIs dematerialize the MIM Structure;
- Offshore derivative instruments which had 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 had multiple investment strategies / sub-funds with identifiable differences and were managed by a single investment manager.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN could have been collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid could have been proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids were rejected.

Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the **"SEBI AIF Regulations"**) prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended (**"SEBI FVCI Regulations"**) prescribe the investment restrictions on FVCIs.

The Category I and II AIFs could not invest more than 25% of their investible funds in one investee company. A Category III AIF could not invest more than 10% of its investible funds in one investee company. A VCF registered as a Category I AIF, could not invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs was subject to the FEMA Rules.

All non-resident investors should have noted that refunds (in case of Anchor Investors), dividends and other distributions, if any, would have been payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLM would not be 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, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, had to be attached to the Bid cum Application Form. Failing this, our Company in consultation with BRLM, reserved 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 were required to be attached to the Bid cum Application Form, failing which our Company in consultation with BRLM, reserved the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "Banking Regulation Act"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 was 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and nonfinancial services could not exceed 20% of the bank's paid-up share capital and reserves. A banking company would have been permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company was engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition was through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the bank's interest on loans / investments made to a company, provided that the bank was required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. Such SCSBs were 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 should have been used solely for the purpose of making application in public issues and clear demarcated funds should have been available in such account for such Bids.

Bids by Eligible Employees

The Bid was for a minimum of 88 Equity Shares and in multiples of 88 Equity Shares thereafter so as to ensure that the Bid Amount paid by the Eligible Employee did not exceed ₹ 500,000 (net of Employee Discount). The Allotment in the Employee Reservation Portion shall be on a proportionate basis. Eligible Employees under the Employee Reservation Portion could Bid at Cut-off Price provided that the Bid does not exceed ₹ 500,000 (net of Employee Discount).

However, Allotments to Eligible Employees in excess of ₹ 200,000 (net of Employee Discount) considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount) (which will be less Employee Discount)..

Bids under Employee Reservation Portion by Eligible Employees was required to be:

a. Made only in the prescribed Bid cum Application Form or Revision Form (i.e. Pink colour form).
b. The Bidder was required to be an Eligible Employee as defined. In case of joint bids, the first Bidder was required to be an Eligible Employee.
c. Only Eligible Employees would be eligible to apply in the Issue under the Employee Reservation Portion.

d. Only those Bids, which are received at or above the Issue Price, net of Employee Discount, if any would be considered for Allotment under this category.
e. Eligible Employees could apply at Cut-off Price.
f. If the aggregate demand in this category was less than or equal to 50,000 Equity Shares at or above the Issue Price, full allocation was required to be made to the Eligible Employees to the extent of their demand.
g. Eligible Employees bidding in the Employee Reservation Portion could also Bid through the UPI mechanism
h. Under-subscription, if any, in the Employee Reservation Portion was required to be added back to the Net Issue.

In case of under-subscription in the Net Issue, spill over to the extent of under-subscription was permitted from the Employee Reservation Portion. If the aggregate demand in this category is greater than 50,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. Please note that any individuals who are directors, employees or promoters of (a) the BRLM, Registrar to the Issue, or the Syndicate Members, or of the (b) 'associate companies' (as defined in the Companies Act, 2013, as amended) and 'group companies' of such BRLM, Registrar to the Issue or Syndicate Members were not eligible to bid in the Employee Reservation Portion.

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 required to be attached to the Bid cum Application Form. Failing this, the Company in consultation with BRLM, reserved the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (**"IRDA Investment Regulations"**), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and were required to comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company in consultation with BRLM, reserved the right to reject any Bid, without assigning any reason thereof.

NBFC-SI participating in the Issue was required to comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI was required to be as prescribed by RBI from time to time.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million, 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 was required to be lodged along with the Bid cum Application Form. Failing this, our Company reserved the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLM, in their absolute discretion, reserved the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLM, may deem fit.

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 certificate from a chartered accountant certifying the corpus of the provident fund / pension fund was attached to the Bid cum Application Form. Failing this, our Company in consultation with BRLM reserved the right to reject any Bid, without assigning any reason therefor.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

(a) Anchor Investor Application Forms were made available for the Anchor Investor Portion at the offices of the BRLM.

(b) The Bids were for a minimum of such number of Equity Shares so that the Bid Amount exceeded ₹100 million. A Bid could not be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund was aggregated to determine the minimum application size of ₹100 million.

(c) One-third of the Anchor Investor Portion was reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors was open one Working Day before the Bid / Issue Opening Date, and was completed on the same day.

(e) Our Company in consultation with the BRLM finalized allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion was not less than:

- maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million;

- 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

- in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.

(f) Allocation to Anchor Investors was required to be completed on the Anchor Investor Bid / Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation was made available in the public domain by the BRLM before the Bid / Issue Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors could not withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) If the Issue Price would have been greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price would be payable by the Anchor Investors on the Anchor Investor Pay-In Date specified in the CAN. If the Issue Price would have been lower than the Anchor Investor Issue Price, Allotment to successful Anchor Investors would be at the higher price, i.e., the Anchor Investor Allocation Price shall still be the Anchor Investor Issue Price.

(i) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion is required to be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion is required to be locked in for a period of 30 days from the date of Allotment.

(j) Neither the BRLM nor any associate of the BRLM (except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLM) applied in the Issue under the Anchor Investor Portion.

(k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion were not considered as multiple Bids

The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus, when filed. 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 laws or regulation and as specified in the Red Herring Prospectus and this prospectus.

In accordance with RBI regulations, OCBs could not participate in the Issue.

Information for Bidders

The relevant Designated Intermediary would have entered a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options were not considered as multiple Bids. It was the Bidder’s responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares should have been allocated / Allotted. Such Acknowledgement Slip would have been non-negotiable and by itself would not have created any obligation of any kind. When a Bidder revised his or her Bid, his / her was required to surrender the earlier Acknowledgement Slip and might have requested for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system could not in any way have been deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM were cleared or approved by the Stock Exchanges; nor did it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor did it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Prospectus or the Red Herring Prospectus; nor did it warrant that the Equity Shares would have been listed or would continue to be listed on the Stock Exchanges.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, our Company had after filing the Red Herring Prospectus with the RoC, published a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of the English national newspaper, all editions of the Hindi national newspaper and all editions of the Marathi regional newspaper (Marathi being the regional language of Maharashtra where our Registered Office is located). Our Company had, in the pre- Issue advertisement state the Bid / Issue Opening Date, the Bid / Issue Closing Date and the QIB Bid / Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, was in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company have entered into an Underwriting Agreement with the Underwriters on or after the determination of the Issue Price but before filing of Red Herring Prospectus with the RoC. After signing the Underwriting Agreement, the Company has filed the Prospectus with the RoC. The Prospectus has details of the Issue Price, Anchor Investor Issue Price, Issue size and underwriting arrangements and is complete in all material respects.

General Instructions

Please note that 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 and Eligible Employee bidding under the Employee Reservation Portion could have revise or withdraw their Bid(s) until the Bid / Issue Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bid / Issue Period.

***Do's*:**

1. Check if you were 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 had Bid within the Price Band;

3. Ensure that you had mentioned the correct ASBA Account number (for all Bidders other than UPI Bidders Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. UPI Bidders 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. UPI Bidders Bidding using the UPI Mechanism were ensured 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. UPI Bidders Bidding using the UPI Mechanism were required to make Bids only through the SCSBs, mobile applications and UPI handles whose name appeared in the list of SCSBs which were live on UPI, as displayed on the SEBI website. UPI Bidders were ensured that the name of

the app and the UPI handle which was used for making the application appears in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which were not mentioned on the SEBI website were liable to be rejected;

6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

7. Ensured that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) were correct and the Bidders depository account was active, as Allotment of the Equity Shares were in dematerialized form only;

8. Ensured that PAN was linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press releases dated June 25, 2021 and September 17, 2021;

9. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary was submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate, Sub-Syndicate Members, Registered Brokers, RTA or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

10. 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;

11. If the first Bidder is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Bid cum Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be). Bidders (except UPI Bidders) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Bid cum Application Form. UPI Bidders should ensure that they have mentioned the correct UPI-linked bank account number and their correct UPI ID in the Bid cum Application Form;

12. Ensure that they have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or Sponsor Bank(s), 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, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

13. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

14. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

15. 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 Collecting 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;

16. 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;

17. 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;

18. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

19. 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;

20. Ensure that the Demographic Details are updated, true and correct in all respects;

21. 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;

22. 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;

23. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;

24. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

25. UPI Bidders Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank(s) authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

26. 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;

27. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilize the MIM structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

28. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, were 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 was submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids was rejected;

29. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders) 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);

30. In case of QIBs and NIBs, 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);

31. 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(s), 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;

32. UPI Bidders Bidding using the UPI Mechanism ensured that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceeded to authorize the UPI Mandate Request using his / her UPI PIN. Upon the authorization of the mandate using his / her UPI PIN, the Retail Individual Bidder was deemed to have verified the attachment containing the application details of the Retail Individual Bidder Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his / her ASBA Account;

33. UPI 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;

34. UPI Bidders 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(s) to authorize 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;

35. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorize blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

36. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM.

37. Ensure that ASBA bidders shall ensure that bids above ₹500,000, are uploaded only by the SCSBs;

38. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 05:00 p.m. on the Bid / Issue Closing Date.

The Bid cum Application Form was liable to be rejected if the above instructions, as applicable, were not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 was liable to be rejected.

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 for a Bid Amount exceeding ₹200,000 (for Bids by RIBs) and ₹ 500,000 for Bids by UPI Bidders and Eligible Employees Bidding in the Employee Reservation Portion

4. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

5. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

6. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;

7. Bids by HUFs not mentioned correctly as provided in "- Bids by HUFs"

8. Anchor Investors should not Bid through the ASBA process;

9. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;

10. Do not submit the ASBA Forms to any Designated Intermediary that is not authorized to collect the relevant ASBA Forms or to our Company;

11. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

12. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

13. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue / Issue 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;

14. Do not submit your Bid after 3.00 pm on the Bid / Issue Closing Date;

15. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid / Issue Closing Date;

16. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

17. If you are a UPI Bidders using UPI Mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

18. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹ 5,00,000;

19. Do not submit the General Index Register (GIR) number instead of the PAN;

20. 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 Issue;

21. 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 UPI Bidders Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

22. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can revise or withdraw their Bids until the Bid / Issue Closing Date;

23. 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;

24. 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 Bidders using the UPI Mechanism;

25. 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;

26. 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);

27. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a UPI Bidder 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;

28. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

29. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;

30. Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;

31. 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 UPI Bidders using the UPI Mechanism); and

32. Do not Bid if you are an OCB.

33. In case of ASBA Bidders (other than 3-in-1 Bids), Syndicate Members shall ensure that they do not upload any bids above ₹ 0.50 million;

34. Do not submit ASBA Forms to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one branch in the relevant Bidding Centre, 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).

For helpline details of the Book Running Lead Manager pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information – Book Running Lead Manager*" on page 97.

The Bid cum Application Form was liable to be rejected if the above instructions, as applicable, were not complied with.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders were requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank(s));

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by RIBs with Bid Amount of a value of more than ₹200,000 (net of retail discount);

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by stock invest, money order, postal order or cash; and

15. Bids uploaded by QIBs after 4.00 p.m. on the QIB Bid / Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid / Issue Closing Date (other than UPI Bidders), and Bids by UPI Bidders uploaded after 5.00 p.m. on the Bid / Issue Closing Date, unless extended by the Stock Exchanges.

In case of any pre-Issue or post Issue related issues regarding demat credit / refund orders / unblocking, etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see "*General Information*" on page 97.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Issue Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking / unblocking of funds.

Names of entities responsible for finalizing the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Issue through the Issue document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Net Issue to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Bidders, Non-Institutional Bidders 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 Bidder was not be less than the minimum Bid Lot, subject to the availability of Equity Shares in Retail Individual Bidder category, and the remaining available Equity Shares, if any, was allotted on a proportionate basis.

The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard mentioned in SEBI ICDR Regulations.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLM, in their absolute discretion, decided the list of Anchor Investors to whom the Allotment Advice was sent, pursuant to which the details of the Equity Shares allocated to them in their respective names was notified to such Anchor Investors. Anchor Investors were not permitted to Bid in the Issue through the ASBA process. Instead, Anchor Investors transferred the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow

Accounts were required to be drawn in favour of:
(i) In case of resident Anchor Investors: “DIFFUSION ENGINEERS LIMITED – Anchor R A/C”
(ii) In case of non-resident Anchor Investors: “DIFFUSION ENGINEERS LIMITED – Anchor NR A/C”

Anchor Investors were required to note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from Anchor Investors.

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 Business Standard, an English national daily newspaper and all editions of Business Standard, a Hindi national daily newspaper and all edition of Yuvarashtra Darshan, a Marathi newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located).

Depository Arrangements

The Allotment of the Equity Shares in the Issue shall be only dematerialized 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 amongst our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite agreement dated December 11, 2012 amongst our Company, NSDL and the Registrar to the Issue.
- Tripartite agreement dated October 27, 2023 amongst our Company, CDSL and the Registrar to the Issue.

Undertakings by our Company

Our Company undertakes the following:

(i) that the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

(ii) that if the 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, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

(iii) that all steps will be taken 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

(iv) such period as may be prescribed under applicable law;

(v) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

(vi) 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;

(vii) that if our Company does not proceed with the Issue after the Bid / Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid /

Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(viii) that if our Company in consultation with the BRLM, withdraws the Issue after the Bid / Issue Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company subsequently decide to proceed with the Issue thereafter;

(ix) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and

(x) that except for any allotment of Equity Shares pursuant to the Pre-IPO Placement, no further issue of Equity Shares shall be made until the Equity Shares issued or offered through the Prospectus are listed or until the Bid monies are refunded / unblocked in the ASBA Accounts on account of non-listing, under-subscription, etc.

Utilization of Issue Proceeds

Our Board certifies that:

- all monies received out of the 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;
- details of all monies utilized out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below: "*Any person who – (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*." The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹1.00 million or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1.00 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements of foreign direct investment ("**FDI**") trough press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("**DPIIT**"), issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract theprovisions of the SEBI Takeover Regulations; (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.

As per FDI Policy, FDI in companies engaged in the manufacturing which is the sector in which our Company operates, is permitted up to 100% of the equity share capital under automatic route.

All investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "***Issue Procedure – Bids by Eligible Non-Resident Indians***" and "***Issue Procedure – Bids by Foreign Portfolio Investors***" on pages 453 and 454, respectively.

As per the existing policy of the Government of India, OCBs could not participate in this Issue.

For further details, see "*Issue Procedure*" beginning on page 446 of this Prospectus.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as "QIBs") pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in

offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

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 Book Running Lead Manager 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 number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

COMPANY LIMITED BY SHARES
[2]ARTICLES OF ASSOCIATION
OF
DIFFUSION ENGINEERS LIMITED

*The regulations contained in Table 'F' of the First Schedule to the Companies Act, 2013 shall not apply to the Company, except in so far as they are embodied in the following Articles, which shall be regulations for the management of the Company***.**

1. **Interpretations**:

1.1 In the interpretation of these Articles, the following words and expressions shall have the meanings assigned hereunder, unless repugnant to the subject matter or context thereof:

Act	Means the Companies Act, 2013 and any statutory modification or re-enactment thereof for the time being in force and Companies Act, 1956 (to the extent not repealed/ not replaced by the Companies Act, 2013), as applicable.
Articles or these Articles	Means the articles of association of the Company, as amended from time to time.
Annual General Meeting	Means a general meeting of the members held in accordance with the provisions of Section 96 of the Act or any adjourned meeting thereof.
Auditors	Means and include those persons appointed as such for the time being 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.
Beneficial Owner	Means and include beneficial owner as defined in clause (a) sub-Section (1) of Section 2 of the Depositories Act, 1996.
Board Meeting	Means a meeting of the Directors or a committee thereof, duly called and constituted.
Board or Board of Directors or the Board	Means the board of Directors for the time being of the Company
Chairperson	Shall mean the Person who acts as a chairperson of the Board of the Company
Committee	Means any committee of the Board of Directors of the Company formed as per the requirements of Act or for any other purpose as the Board may deem fit

[2] Adopted new set of Articles of Association of the Company vide Special Resolutions passed in Extraordinary General Meeting held on November 18, 2023.

Company or This Company	Means Diffusion Engineers Limited
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 the Act
Debenture	Includes debenture-stock, bonds and any other debt securities of the Company, whether constituting a charge on the assets of the Company or not.
Depositories Act	Shall mean the Depositories Act, 1996 and includes any statutory modification or enactment thereof
Depository	Shall mean a Depository as defined in clause (e) sub-section (1) of section 2 of the Depositories Act, 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 Act, 1992.
Director	Means a director of the Company for the time being, appointed as such.
Dividend	Includes interim dividend.
Extraordinary General Meeting	Means an extraordinary general meeting of the Members duly called and constituted and any adjourned meeting thereof.
Financial Year	Means the same as in Section 2(41) of the Act
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 unrealized 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 be treated as free reserves
In writing or written	Means and include printing, typing, lithographing, computer mode and other modes of reproducing words in visible form
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.
General Meeting	Means a meeting of Members of the Company.
Members	Member in relation to the Company, means- (a) the subscribers to the Memorandum of Association of the Company who 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 as a Beneficial Owner in the records of a Depository.
Memorandum or Memorandum of Association	Means the memorandum of association of the Company, as amended from time to time.
Month	Means a calendar month
Ordinary Resolution	Means a resolution referred to in Section 114 of the Act.
Persons	Includes any artificial juridical person, corporations or such other entities as are entitled to hold property in their own name.
Postal Ballot	Means voting by post through postal papers distributed amongst eligible voters and shall include voting by electronic mode or any other mode as permitted under Applicable Law
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
Register of Members	Means the register of Members, including any foreign register which the Company may maintain pursuant to the Act and includes Register of Beneficial Owners.
Registrar	Means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated
Seal	Means the common seal, if any, adopted for the time being of the Company
Section	Means the relevant section of the Act; and shall, in case of any modification or re-enactment of the Act shall be deemed to refer to any corresponding provision of the Act as so modified or reenacted.
Securities	Means Shares, Debentures and/or such other securities as may be treated as securities under Applicable Law.
Shares	Means the shares into which the Share Capital of the Company is divided.
Share Capital or Capital	Means the share capital for the time being raised or authorized to be raised, for the purpose of the Company
Special Resolution	Means a resolution referred to in Section 114 of the Act.
These Presents	Means the Memorandum of Association and the Articles of Association of the Company.
Tribunal	Means the National Company Law Tribunal constituted under section 408 of the Act
Voting Right	Means the right of a Member of a Company to vote in any meeting of the Company
Written" or "in writing	means and includes the word printed, lithographed, represented in or reproduced in any mode in a visible form
Year	Means the Financial Year of the Company

1.2 Public Limited Company: means as Company which – a. is not a private company
b. has a minimum paid up share capital, as may be prescribed:

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles1.3 Expressions not specifically defined in these Articles shall bear the same meaning as assigned to the them in the Act

1.4 In the interpretation of these Articles,

(a) any reference to the singular shall include the plural and vice-versa; and
(b) any references to the masculine, the feminine and the neuter shall include each other.

1.5 The marginal notes hereto shall not affect the construction of these Articles.

SHARE CAPITAL, INCREASE AND REDUCTION OF CAPITAL

Amount of Capital

2. The Authorized Share Capital of the Company shall be such as may be specified from time to time in Clause V of the Memorandum of Association, with power to increase and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes as permissible in Applicable Law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by the Board, and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions.

Increase of Capital by the Company

3. Subject to Applicable Law, the Board may, from time to time, increase the paid-up Share Capital by creation of new Shares. Such increase shall be of such aggregate amount and to be divided into such Shares of such respective amounts, as the resolution of the Board shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased Share Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Board shall determine, and 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 or other Applicable Law.

New Capital part of the existing Capital

4. 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 instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Issue of redeemable preference shares

5. Subject to the provisions of Section 55 of the Act and these Articles, the Company shall have the power to issue redeemable preference Shares liable to be redeemed at the option of the Company and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

Provisions applicable to any other Securities

6. The Board shall be entitled to issue, from time to time, subject to Applicable Law, any other Securities, including 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 decided by the terms of such issue. Such Securities 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.

Reduction of Capital

7. The Company may, subject to the provisions of Section 66 of the Act or any other Applicable Law for the time being in force, 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.

Sub-division, consolidation and cancellation of Shares

8. Subject to the provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them, and the resolution where by any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend or otherwise over or as compared with the others. Subject as aforesaid the Company in General Meeting may also cancel Shares which 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.

Variation of rights

9. 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 Sections 48 of the Act, be varied with the consent in writing by holders of at least three-fourths of the issued Shares of the class or is confirmed by a Special Resolution passed at a separate Meeting of the holders of Shares of that class and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such class Meeting.

Further issue of Capital

10. Where at any time it is proposed to increase the subscribed Capital of the Company by allotment of further Shares, then:

 10.1. Such further Shares shall be offered to the 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 Capital paid-up on those shares at the date.

 10.2. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

 10.3. 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 favor of any other person and the notice referred to in Article 10.2 hereof shall contain a statement of this right.

 10.4. 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.

11. Notwithstanding anything contained in the Article 10, the further Shares aforesaid may be offered in any manner whatsoever, to:

 11.1. employees under a scheme of employees’ stock option scheme;

11.2. to any persons on private placement or on preferential basis, whether or not those persons include the persons referred to Article 10, either for cash or for a consideration other than cash, if so decided by a Special Resolution, as per Applicable Law.;

12. Nothing contained in these Articles 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.

Shares at the disposal of the Directors

13. Subject to the Applicable Law, the Securities of the Company for the time being shall be under the control of the Directors 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 par and at such time as they may 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 par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the Capital of the Company or other Securities on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

Power to issue Shares outside India

14. Pursuant to the provisions of Applicable Law 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 (including Global Depository Receipts) 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. Such issue and allotment to be made on such occasion or occasions, at such value or values, or at a premium and in such form and in manner and on such terms and conditions or such modifications thereto as the Board may determine in consultation with Lead Manager and/or Underwriters and/or Legal or other Advisors, or as may be prescribed by the Appropriate Authorities while granting their approvals, permissions and sanctions as aforesaid which the Board be and is hereby authorized to accept at its sole discretion. 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.

Acceptance of Shares

15. 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.

Deposit and call to be a debt payable immediately

16. 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 any 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.

Liability of Members

17. Every member, or his heirs, executors or administrators shall pay to the Company the portion of the Capital represented by his Share(s) which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

Shares not to be held in trust

18. 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 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.

The first named joint holder deemed to be sole holder

19. 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 be severally as well as jointly liable for the payment of all instalments and calls due in respect of such Shares for all incidents thereof according to the Company's regulations.

Register of Members and index

20. 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 dematerialized forms may be maintained in a media as may be permitted by law including in any form of electronic media.

21. A member, or other Security holder or Beneficial Owner may make inspection of Register of Members and annual return. Any person other than the Member or Debenture holder or Beneficial Owner of the Company shall be allowed to make inspection of the Register of Members and annual return on payment of Rs. 50 or such higher amount as permitted by Applicable Law as the Board may determine, for each inspection. Inspection may be made during business hours of the Company during such time, not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time.

22. Such person, as referred to in Article 21 above, may be allowed to make copies of the Register of Members or any other register maintained by the Company and annual return, and require a copy of any specific extract therein, on payment of Rs. 10 for each page, or such higher amount as permitted under Applicable Law.

Foreign Registers

23. The Company may also keep a foreign register in accordance with Section 88 of the Act containing the names and particulars of the Members, Debenture holders, other Security holders or Beneficial Owners residing outside India; and the Board may (subject to the provisions of aforesaid Section) make and vary such regulations as it may think fit with respect to any such register.

SHARES CERTIFICATES

Share certificate to be numbered progressively and no Share to be subdivided

24. The shares certificates shall be numbered progressively according to their several denominations specify the shares to which it relates and bear the Seal, if any, 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.

Provided however that the provision relating to progressive or distinctive numbering of shares shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form.

Limitation of time for issue of certificates

25. 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 Directors so approve (upon paying such fee as the Directors 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 certificates of Shares shall be under the Seal, if any, of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Directors 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 and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holders.

Issue of new certificate in place of one defaced, lost or destroyed

26. 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 to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity 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 this 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 Directors so decide, or on payment of such fees (not exceeding Rs.50 for each certificate) as the Directors 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 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 Directors so decide, or on payment of such fees (not exceeding Rs.50 for each certificate) as the Directors shall prescribe.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange 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 Share certificates.

27. The provision of this Article shall *mutatis mutandis* apply to issue of certificates of Debentures of the Company

BUY BACK OF SECURITIES BY THE COMPANY

28. Notwithstanding anything contained in these Articles but subject to the provisions of the Act and other Applicable Law as prescribed by Securities and Exchange Board of India (SEBI) or any other authority 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

Commission may be paid

29. Subject to the provisions of the Act and other Applicable Law, and subject to the applicable SEBI guidelines 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 any shares 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 the case of shares, five per cent of the price at which the Shares are issued, and in the case of Debentures, two and a half per cent of the price at which the 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.

Brokerage

30. The Company may, subject to Applicable Law, pay a reasonable and lawful sum for brokerage to any person for subscribing or procuring subscription for any Securities, at such rate as approved by the Directors.

CALL ON SHARES

Directors may make calls

31. 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 in instalments.

Notice of calls

32. Each Member shall, subject to receiving at least 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.

33. A call may be revoked or postponed at the discretion of the Board.

Calls to date from resolution

34. 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 instalments.

Directors may extend time

35. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, but no member shall be entitled to such extension save as a member of grace and favor.

Calls to carry interest

36. 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 such percentage as the Board of Directors may determine. Nothing in this Article shall render it obligatory for the Board of Directors to demand or recover any interest from any such member.

37. The Board shall be at liberty to waive payment of any such interest wholly or in part.

Sums deemed to be calls

38. 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.

Proof on trial of suit for money due on Shares

39. 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 the 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 Minutes 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 who made such call, nor that a quorum of 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.

Partial payment not to preclude forfeiture

40. 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.

Payment in anticipation of call may carry interest

41. The Directors 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 exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Directors 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.

42. The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debenture or other Securities of the Company.

LIEN

Company to have lien on Shares

43. The Company shall have a first and paramount lien upon all the Shares/ Debentures/Securities (other than fully paid-up Shares/Debentures) 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:

    Provided that, fully paid shares shall be free from all lien and that in case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

As to enforcing lien by sale

44. 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 number to execute a transfer thereof on 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 affected by any irregularity or invalidity in the proceedings in reference to the sale.

45. No sale shall be made unless a sum in respect of which the lien exists is presently payable or until the expiration of fourteen 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 fourteen days after such notice.

Application of proceeds of sale

46. 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 the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the persons entitled to the Shares at the date of the sale.

FORFEITURE OF SHARE

If call or installment not paid notice may be given

47. 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 to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Form of notice

48. The notice shall:

    48.1. 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

48.2. shall detail the amount which is due and payable on the Shares and shall state that in the event of non-payment at or before the time appointed, the Shares will be liable to be forfeited.

If notice not complied with, Shares may be forfeited

49. If the requisitions 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 of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.

Notice of forfeiture to a Member

50. 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 to give such notice or to make any such entry as aforesaid.

Forfeited Share to become property of the Company

51. 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.

Power to annul forfeiture

52. The Board may, at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

Liability on forfeiture

53. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture of the payment, at such rate as the Board may determine and the Board may enforce the payment thereof, if it thinks fit. 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.

Effect of forfeiture

54. 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.

Evidence of forfeiture

55. 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.

Cancellation of Share certificate in respect of forfeited shares

56. 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 demand 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 Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said Shares to the person or persons, entitled thereto as per the provisions herein.

56.1. 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 favor of the person to whom the Share is sold or disposed of.

56.2. The transferee shall thereupon be registered as the holder of the Share; and

56.3. 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.

These Articles to apply in case of any non-payment

57. 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 a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

EMPLOYEES STOCK OPTIONS

58. Subject to the provisions of Section 62 of the Act and the Applicable Law, the Company may issue options to the any Directors, not being Independent Directors, officers, or employees of the Company, its subsidiaries or its parent, which would give such Directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the Securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees share purchase or both: Provided that it will be lawful for such scheme to require an employee, officer, or Director, upon leaving the Company, to transfer Securities acquired in pursuance of such an option/scheme, to a trust or other body established for the benefit of employees of the Company.

POWER TO ISSUE SWEAT EQUITY SHARES

59. Subject to and in compliance with Section 54 and other Applicable Law, the Company may issue equity Shares to its employees or Director(s) at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.

PREFERENTIAL ALLOTMENT

60. Subject to the provisions of Section 62 the Act, read with the conditions as laid down in the Applicable Law, and if authorized by a Special Resolution passed in a General Meeting, the Company may issue Shares, in any manner whatsoever, by way of a preferential offer or private placement. Such issue on preferential basis or private placement should also comply with the conditions as laid down in Section 42 of the Act and/or Applicable law.

CAPITALIZATION OF PROFITS

61. The Company in General Meeting may, upon the recommendation of the Board, resolve:

61.1. that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts (including capital redemption reserve account), or to the credit of the profit and loss account, otherwise available for distribution or securities premium account; and

61.2. that such sum be accordingly set free for distribution in the manner specified in 61.1 amongst the members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.

62. The sum aforesaid shall not be paid in cash but shall be applied, subject to applicable provisions contained herein, either in or towards:

62.1. paying up any amounts for the time being unpaid on any Shares held by such Members respectively;

62.2. 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;

62.3. partly in the way specified in Article 62.1 and partly in that specified in Article 62.2;

62.4. The Board shall give effect to the resolution passed by the members of the Company in pursuance of this Article.

62.5. Whenever such a resolution as aforesaid shall have been passed, the Board shall—

62.5.1. make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and

62.5.2. generally, do all such acts and things required to give effect thereto.

63. For the purpose of giving effect to any resolution under Articles 61 and 62, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient.

TRANSFER AND TRANSMISSION OF SHARES

Register of transfers

64. The Company shall keep a register to be called the 'Register of Transfers', and therein shall be fairly and directly entered particulars of every transfer or transmission of any Share. Entries in the register should be authenticated by the secretary of the Company or by any other person authorized by the Board for the purpose, by appending his signature to each entry.

Instruments of transfer

65. The instrument of transfer shall be in writing and duly stamped and in such form as may be prescribed under the Act from time to time and all provisions of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and registration thereof.

To be executed by transferor and transferee

66. Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such Shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. The Board shall not issue or register a transfer of any Share in favor of a minor (except in cases when they are fully paid up).

67. Application for the registration of the transfer of a Share may be made either by the transferee or the transferor. Where an application is made by the transferor and relates to partly paid up shares, no registration shall be effected unless the Company gives notice of the application to the transferee subject to the provisions of these Articles, Section 56 of the Act and other Applicable Law, and the transferee

gives no objection to the transfer within two weeks from the receipt of the notice. In the event of non-receipt of any objection from the transferee within the period of two weeks as aforesaid, the Company shall enter in the Register the name of transferee in the same manner and subject to the same conditions as it the application for registration of the transfer was made by the transferee.

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.

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.

Transfer books when closed

68. Subject to the applicable provisions of the Act, SEBI Regulations and these Articles, the Board shall have to close the transfer books, the Register of Members, Register of Debenture holders or the Register of other Security holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.

Directors may refuse to register transfer

69. Subject to the provisions of the Act and other Applicable Law, the Board may at its own, discretion, decline to register or acknowledge any transfer of Securities, whether fully paid or not (notwithstanding that the proposed transferee be already a Member), provided in such cases it shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer: Provided that registration of transfer shall not be refused on the ground of the transferor being, either alone or jointly with any person or persons, indebted to the Company on any account whatsoever except where the Company has lien on the Securities.

Directors to recognize Beneficial Owners of securities

70. Notwithstanding anything 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.

71. 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.

72. 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.

Nomination

73. 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.

74. 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.

75. Notwithstanding anything 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 Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.

76. 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.

Transmission in the name of nominee

77. Any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any Security holder, or by any lawful means other than by a transfer in accordance with these Presents, may with the consent of the Board of Directors and subject as hereinafter provided, elect, either:

77.1. to be registered himself as holder of the Securities; or
77.2. to make such transfer of the Securities as the deceased Security holder could have made.

Provided nevertheless that it shall be lawful for the Directors in their absolute discretion to dispense with the production of any evidence including any legal representation upon such terms as to indemnity or otherwise as the Directors may deem fit.

78. 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.

79. If the nominee, so becoming entitled, elects himself to be registered as holder of the Securities, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased Security holder or proof of lunacy, bankruptcy or insolvency of the Security holder, as the case may be, and the certificate(s) of Securities held by such Security holder in the Company.

80. If the person aforesaid shall elect to transfer the Securities, he shall testify his election by executing a transfer of the Securities.

81. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of Securities shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Security holder had not occurred and the notice or transfer were a transfer signed by that Member.

82. A nominee on becoming entitled to Securities by reason of the death of the holder or joint holders shall be entitled to the same Dividend or interest and other advantages to which he would be entitled if he were the registered holder such Securities, except that he shall not before being registered as holder of such Securities, be entitled in respect of them to exercise any right conferred on a Security holder in relation to meetings of the Company.

No transfer to minor, insolvent etc.

83. No transfer shall be made to a minor or person of unsound mind. However, in respect of fully paid up shares, Securities may be transferred in favor of a minor acting through legal guardian, in accordance with the provisions of Applicable Law.

Transfer to be presented with evidence of title

84. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.

Company not liable for disregard of a notice in prohibiting registration of transfer

85. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effort to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board of Directors shall so think fit.

DEMATERIALISATION OF SECURITIES

Dematerialization of Securities

86. The Board shall be entitled to dematerialize its existing Securities or to offer securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended and the rules framed thereunder, if any.

Options for investors

87. Subject to the Applicable Law, 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 a Beneficial Owner of the Securities can at any time opt out of a Depository, if permitted by law, in respect of any Securities held by him in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue and deliver to the Beneficial Owner, the required certificates for the Securities.

Securities in depositories to be in fungible form

88. All securities held by a Depository shall be dematerialized and be in fungible form.

Service of Documents

89. Notwithstanding anything contained in these Articles to the contrary, 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

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Transfer of securities

90. Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

Allotment of securities dealt with in a Depository

91. Notwithstanding anything 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.

Register and index of Beneficial Owners

92. 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

93. Copies of Memorandum and Articles of Association of the Company shall be furnished to every Member within seven days of his request on payment of an amount as may be fixed by the Board to recover reasonable cost and expenses, not exceeding such amount as fixed under Applicable Law.

BORROWING POWERS

Power to borrow

94. Subject to the provisions of these Articles, the Act and other Applicable Law, the Board may, from time to time, at its discretion, by way of a resolution passed at the meeting of Board, accept deposits from its members or otherwise, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money to be borrowed together with the moneys already borrowed;, or where a power to delegate the same is available, by a decision/resolution of such delegate, 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.

Conditions on which money may be borrowed

95. 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.

Terms of issue of Debentures

96. 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.

Instrument of transfer

97. 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.

Register of charges, etc.

98. The Board shall cause a proper Register to be kept in accordance with the provisions 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.

Register and index of Debenture holders

99. 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. Subject to the Applicable Law, the Company shall have the power to keep in any State or Country outside India, a register of Debenture-stock holders, resident in that State or Country.

GENERAL MEETINGS

100. 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 situate

102. All General Meetings other than annual general meeting shall be called extraordinary general meeting.

103. 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:

103.1. the consideration of financial statements and the reports of the Board of Directors and Auditors;
103.2. the declaration of any Dividend;
103.3. the appointment of Directors in place of those retiring;
103.4. the appointment of, and the fixing of the remuneration of, the Auditors

104. In case of any other meeting, all business shall be deemed special.

105. The Board may, whenever it thinks fit, call an Extraordinary General Meeting.

106. 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, including e-voting. Such Postal ballot will comply with the provisions of Applicable Law in this behalf.

107. The intent of these Articles is that in respect of seeking the sense of the Members or Members of a class or any Security holders, the Company shall, subject to Applicable Law, be entitled to seek assent of Members, members of a class of Members or any holders of Securities using such use of contemporaneous methods of communication as is permitted by Applicable Law. A written resolution including consent obtained through electronic mode shall be deemed to be sanction provided by the Member, Member of a class or other Security holder by way of personal presence in a meeting.

108. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by 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.

109. Any meeting called as above by the requisitions shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

E-voting in case of General Meetings

110. Where the Company conducts General Meetings by way of e-voting, the Company shall follow the procedure laid down under the Act and Applicable Law.

111. Where Member has been allowed the option of voting through electronic mode as per Applicable Law, such Member, or Members, who have voted using the electronic facility, generally, shall be allowed to speak at a General Meeting, but shall not be allowed to vote again at the meeting.

Provided that voting may also be allowed to be case by way of post or any other mode which any Applicable Law may allow.

Notice of General Meetings

112. Subject to the Applicable Law, at least 21 clear days' notice of every General Meeting, specifying the day, date, place and hour of meeting, containing a statement of the business to be transacted thereat, shall be given, either in writing or through electronic mode, to every Member or legal representative of any deceased Member or the assignee of an insolvent Member, every Auditor(s) and Director of the Company.

113. A General Meeting may be called at a shorter notice in accordance with the provisions of Section 101 of Companies Act 2013.

Quorum at General Meeting

114. 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.

115. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.

116. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be 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 to such other day and at such other time and place as the Board may determine subject to Applicable Law 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.

Chairperson at General Meetings

117. The Chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.

118. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the Directors present shall elect one among themselves to be Chairperson of the General Meeting.

119. If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of themselves to be Chairperson of the General Meeting.

120. No business shall be discussed at any General Meeting except the election of a Chairperson, while the chair is vacant.

Adjournment of Meeting

121. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

122. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

123. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

Voting rights

124. 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.

125. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

125.1. on a show of hands, every member present in person shall have one vote; and

125.2. on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity Share Capital of the Company.

125.3. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

126. In the 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 votes 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.

127. 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.

128. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

129. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting shall be valid for all purposes.

130. Any such objection made in due time shall be referred to the Chairperson of the General Meeting, whose decision shall be final and conclusive.

Proxy

131. 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 authorized 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 represents as the body could exercise if it were an individual member.

132. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office 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; and in default the instrument of proxy shall not be treated as valid.

133. 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, if any, or be signed by an officer or any attorney duly authorized 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.

134. A Member present by proxy shall be entitled to vote only on a poll, except where Applicable Law provides otherwise.

135. The proxy so appointed shall not have any right to speak at the General Meeting.

136. 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.

Maintenance of records and Inspection of minutes of General Meeting by Members

137. Where permitted/required by Applicable Law, all records to be maintained by the Company may be kept in electronic form subject to the provisions of the Act and the conditions as laid down in the Applicable Law. 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, index, agreement, memorandum, minutes or any other document required by the Act and Applicable Law made there under to be kept by the Company.

138. 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.

139. Any such minutes shall be evidence of the proceedings recorded therein.

140. 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 Company Secretary from time to time, to the inspection of any Member without charge.

141. 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

142. Until otherwise determined by a General Meeting and subject to provisions of the Act, the number of directors shall not be less than three or more than fifteen.

Following are the First Directors of the Company:
1. Shri Ashwinkumar A. Manek
2. Shri Sanjeev Kasturilal Bhaskar

143. The Directors are not required to hold any qualification shares.

144. 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.

Board's power to appoint Additional Directors

145. 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 for the Board by these Articles.

146. 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.

Nominee Directors

147. The Company shall, subject to the provisions of the Act and these Articles, be entitled to agree with any Person that he or it shall have the right to appoint his or its nominee on the Board, not being an Independent Director, upon such terms and conditions as the Company may deem fit.

148. Whenever the Company enters into the contract with any government, central, state or local, any bank or financial institution or any person or persons (hereinafter referred to as "**the appointer**") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Board shall have, subject to the provisions of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such director or directors shall not be liable to retire by rotation nor be required to hold any qualification shares. The directors may also agree that any such director or directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such director or directors ceasing to hold that office for any reason whatsoever. The directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any privileges and rights exercised and enjoyed by the directors of the Company including payment of remuneration and travelling expenses to such director or directors as may be agreed by the Company with the appointer.

Appointment of Alternate Directors

149. Subject to the provisions of Section 161 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 office of the Original Director

is 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.

Board's power to fill casual vacancies

150. Subject to the provisions 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.

Independent Directors

151. Subject to the provisions of the Act and other Applicable Law, the Board or any other Committee as per the Act shall identify potential individuals for the purpose of appointment as Independent Director either from the date bank established under Section 150 of Act or otherwise.

152. The Board on receiving such recommendation shall consider the same and propose his appointment for approval at a General Meeting. The explanatory statement to the notice for such General Meeting shall provide all requisite details as required under the Act.

153. 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 or these Articles, 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 herein below and in accordance with the Applicable Law. No such casual vacancy shall prejudice the functioning of the Board during the intervening period.

154. Every Independent Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of independence.

155. The Company and Independent Directors are required to abide by the provisions specified in Schedule IV of the Act.

156. An Independent Director shall not be entitled to any stock option and may receive remuneration by way of sitting fee, reimbursement of expenses for participation in the Board and other meetings and also to such commission based on profits, as may, subject to provisions of Applicable Law, be approved by the Members.

157. 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.

158. The provisions relating to retirement of Directors by rotation shall not be applicable to appointment of Independent Directors.

Term of Office of Independent Director

159. Subject to Applicable Law, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company, but shall be eligible for reappointment for one more term on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.

160. No Independent Director shall hold office for more than 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of 3(three) years of ceasing to become an Independent Director provided that he shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Retirement and rotation of Directors

161. At least two-thirds of the total number of Directors, excluding Independent Directors, will be the Directors who are liable to retire by rotation (hereinafter called "**the Rotational Directors**").

162. Subject to the provisions of the Act and these Articles, the managing Director and/or the whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation.

163. 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.

164. A retiring Director shall be eligible for re-election.

Resignation of Directors

165. Subject to the provisions of Applicable Law, a Director may resign from his office by giving a notice in writing to the Company and Board shall take note of the same. The fact of such resignation shall be mentioned in the report of Directors laid in the immediately following Annual General Meeting by the Company.

166. A Managing Director or a Whole-time Director or any Executive Director who has any terms of employment with the Company shall not give any notice of resignation in breach of the conditions of employment as may be applicable, either to a Director specifically, or to employees of the Company generally. A nominee Director shall not give any notice of resignation except through the nominating person.

167. 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:
Provided that the Director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

Removal of Directors

168. 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.

Remuneration of Directors

169. 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' and Officers' Liability Insurance, specifically pertaining to a particular Director and/or officer, then the premium paid in respect of such insurance, for the period during which a Director and/or officer has been proved guilty, will be treated as part of remuneration paid to such Director and/or officer.

170. The Board or a relevant Committee constituted for this purpose shall seek to ensure that the remuneration paid to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

171. 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 within the maximum limit as prescribed under the Act and Applicable Law. Fee shall also be paid for attending any separate meeting of the Independent Directors of the Company in pursuance of any provision of the Act. Fee shall also be payable for participating in meetings through permissible electronic mode.

172. In addition to the remuneration payable pursuant to Section 197 of the Act, the Directors may be paid all conveyance, hotel and other expenses properly incurred by them:

172.1. in attending and returning from meetings of the Board of Directors or any Committee thereof or general meetings of the Company; or
172.2. in connection with the business of the Company.

Directors may act notwithstanding any vacancies on Board

173. The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is reduced below the minimum number fixed by these Articles, the continuing Directors may act for the purpose of increasing the number of Directors to the minimum number fixed by these Articles or for summoning a General Meeting for the purpose increasing the number of Directors to such minimum number, but for no other purpose.

Vacation of office of Director

174. The office of a Director shall ipso facto be vacated:

174.1. on the happening of any of the events as specified in Section 167 of the Act.
174.2. if a person is a Director of more than the number of Companies as specified in the Act at a time;
174.3. in the case of alternate Director, on return of the original Director in terms of Section 161 of the Act;
174.4. 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;
174.5. if he is removed in pursuance of Section 169 of the Act;
174.6. any other disqualification that the Act for the time being in force may prescribe.

Notice of candidature for office of Directors except in certain cases

175. 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 General Meeting, left at the registered office of the Company a notice in writing under his hand 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 Rs. 1,00,000/- (Rupees One Lakh only) or such higher amount as the Board may determine, as permissible by Applicable Law.

176. 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.

Director may contract with the Company

177. Subject to such sanctions as required by 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 or any arrangement with the Company.

178. Unless so required by Applicable Law, no sanction shall, however, be necessary for any contracts with a related party on entered into on arm's length basis. Where a contract complies with such conditions or indicia of arms' length contracts as laid down in a policy on related party transactions framed by the Board in accordance with the Applicable Law, the contract shall be deemed to be a contract entered into on arm's length basis.

Disclosure of interest

179. A Director of the Company who is in any way, 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 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 per cent of the shareholding in such other body corporate.

Interested Director not to participate or vote in Board's proceeding

180. 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.

Register of contracts in which Directors are interested

181. The Company shall keep a register of contracts or arrangements in which directors are interested in accordance with the provisions of Act. Such register shall be kept at the registered office of the Company and shall be preserved permanently be kept in the custody of the Company Secretary of the Company or any other person authorized by the Board for the purpose.

182. 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 (Rupees Ten only) per page, as such higher amount as may be laid by the Board, as permitted by Applicable Law.

Register of Directors and Key Managerial Personnel and their shareholding

183. 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.

Miscellaneous

184. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for 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.

PROCEEDINGS OF THE BOARD

Meetings of Board

185. The Directors may meet together as a Board from time to time for the conduct of the business of the Company, adjourn or otherwise regulate its meetings, as it thinks fit.

186. A meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic mode.

187. The notice of the meeting shall inform the Directors regarding the option available to them to participate through electronic mode, and shall provide all the necessary information to enable the Directors to participate through such electronic mode.

188. Certain matters, as may be specified under the Applicable Law from time to time, shall not be dealt with in a meeting of the Board through video conferencing or other audio visual means.

189. 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 the Directors and shall be final only on ratification thereof by at least one Independent Director.

190. The Board shall so meet at least once in every four months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

191. Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose. 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

Meetings of Board by Video/audio-visual conferencing

192. Subject to the provisions of the Act and Applicable Law, the Directors may participate in meetings of the Board otherwise through physical presence, 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 for ascertaining the views of such Directors who have indicated their willingness to participate by such electronic mode, as the case may be.

Regulation for meeting through electronic mode

193. 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 Board meetings through electronic mode, as the case may be, in accordance to the provisions of the Act and Applicable Law. In case of a place other than such places where Company makes arrangements as above, the Chairperson may decline the right of a 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 from a place other than the designated places where the Company has made the arrangements, 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.

194. Subject as aforesaid, the conduct of the Board meeting where a Director participates through electronic mode shall be in the manner as laid down in Applicable Law.

195. The rules and regulations for the conduct of the meetings of the Board, including for matters such as quorum, notices for meeting and agenda, as contained in these Articles, in the Act and/or Applicable Law, shall apply to meetings conducted through electronic mode, as the case may be.

196. Upon the discussions being held by electronic mode, as the case may be, the Chairperson or the Company Secretary shall record the deliberations and get confirmed the views expressed, pursuant to circulation of the draft minutes of the meeting to all Directors to reflect the decision of all the Directors participating in such discussions.

197. Subject to provisions of Section 173 of the Act and the Applicable Laws, a Director may participate in and vote at a meeting of the Board by means of electronic mode which allows all persons participating in the meeting to hear and see each other and record the deliberations. Where any Director participates in a meeting of the Board by any of the means above, the Company shall ensure that such Director is provided with a copy of all documents referred to during such Board meeting prior to the commencement of this Board Meeting.

When can a meeting be convened

198. The Managing Director or a Director may, and the Manager or Company Secretary upon the requisition of Director(s) shall, at any time, summon a meeting of the Board.

Chairperson for Board Meetings

199. The Board may elect a Chairperson, and determine the period for which he is to hold office. The Managing Director may also be appointed by the Board as the Chairperson.

200. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their numbers to be Chairperson of the meeting.

Quorum

201. 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.

Exercise of powers to be valid in meetings where quorum is present

202. 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 of the Act, the powers of the Company.

Matter to be decided on majority of votes

203. 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.

Power to appoint Committee and to delegate powers

204. 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 officer or committee of officers as the Board may determine.

205. 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.

206. The meetings and the proceedings of any 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.

Resolution without Board Meeting/ Resolution by Circulation

207. Save as otherwise expressly provided in the Act to be passed at a meeting of the Board and subject to Section 175 of the Act or Applicable Laws, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, at their addresses registered with the Company in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and has been approved by a majority of the Directors or members as are entitled to vote on the resolution.

Provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a Board Meeting.

Provided further that where the resolution has been put to vote at a Board Meeting, the consent or dissent of the Directors obtained by way of resolution by circulation shall be rendered void and given effect to.

Acts of Board / Committee valid notwithstanding formal appointment

208. 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 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 had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

Minutes of proceedings of meeting of Board

209. 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.

210. Each page of every such book shall be initialled 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.

211. In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by a pasting or otherwise, if the minutes are kept in physical form.

212. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

213. Where the meeting of the Board takes place through electronic mode, the minutes shall disclose the particulars of the Directors 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.

214. Every Director who attended the meeting, whether personally or through electronic mode, shall confirm or give his comments in writing, if any, about the accuracy of recording of the proceedings of that particular meeting in the draft 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.

215. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.

216. The minutes shall also contain:

216.1. The names of the Directors present at the meeting; and
216.2. 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.

217. Nothing contained in these Articles shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairperson of the meeting:

217.1. is, or could reasonably be regarded as defamatory of any person.
217.2. is irrelevant or immaterial to the proceedings; or
217.3. is detrimental to the interest of the Company.

218. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this Article.

219. Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

220. Any Director of the Company may requisition for physical inspection of the Board Meeting minutes in accordance with the Applicable Law.

Powers of Board

221. 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 thereunder, 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 Applicable Law made thereunder, 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.

222. The Board may subject to Section 186 of the Act and provisions of Applicable Law made thereunder shall by means of 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.

Restriction on powers of Board

223. The Board of Directors shall exercise the following powers subject to the approval of Company by a Special Resolution:

223.1. 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;

223.2. to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;

223.3. to borrow money, where the money to be 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;

223.4. to remit, or give time for the repayment of, any debt due from a Director.

Contribution to charitable and other funds

224. The Board of Directors of a Company may contribute to bona fide charitable and other funds. A prior permission of the Company in general meeting by way of 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

Absolute powers of Board in certain cases

225. Without prejudice to the general powers conferred by Section 179(3) of the Act or Applicable Laws 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:

225.1. To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

225.2. To pay any interest lawfully payable under the provisions of Section 40 of the Act.

225.3. To act jointly and severally in all on any of the powers conferred on them.

225.4. To appoint and nominate any Person(s) to act as proxy for purpose of attending and/or voting on behalf of the Company at a meeting of any Company or association.

225.5. 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.

225.6. To make, vary and repeal bye-laws for regulation of business of the Company and duties of officers and servants.

225.7. Subject to Sections 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.

225.8. 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;

225.9. 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;

225.10. 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;

225.11. To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of Debenture or Debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future).

225.12. To open and deal with current account, overdraft accounts with any bank/banks for carrying on any business of the Company.

225.13. 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;

225.14. 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.

225.15. 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.;

225.16. To act as trustees in composition of the Company's debtors and/or act on behalf of the Company in all matters relating to bankrupts and insolvents;

225.17. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.

225.18. Subject to the provisions of Sections 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 Shares of this 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 investments shall be made and held in the Company's own name;

225.19. To execute in the name and on behalf of the Company in favor 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, provisions, covenants and agreements as shall be agreed upon.

225.20. To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose;

225.21. Subject to provisions of Applicable Law, to give a Director or 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 profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;

225.22. To provide for the welfare of Directors or ex-Directors 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 houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions; funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit;

225.23. To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;

225.24. Before recommending any Dividend, to set aside out of the profits 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 Debenture stock, or for special dividends or for equalized dividends 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 so set aside or so much thereof as required to be invested upon such investments(other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the reserve into such special Funds as the Board may think fit, with full power to transfer the whole, or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division, of a Reserve Fund and with full power to employ the assets constituting all or any of the above Funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or Debenture stock, and without being bound to keep the same, separate from the other assets ,and without being bound to pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

225.25. Subject to the provisions of the Act to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisor, clerks, agents and servants of permanent, temporary or special services as they may for time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India, or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

225.26. To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary of expedient of comply with;

225.27. Subject to applicable provisions of the Act and Applicable Law, to appoint purchasing and selling agents for purchase and sale of Company’s requirement and products respectively.

225.28. From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the members of such local boards and to fix their remuneration.

225.29. Subject to Section 179 & 180 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, 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 authorize the Members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.

225.30. At any time and from time to time by power of attorney under the Seal, if any, of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with 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 also, except in their limits authorized 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 think fit; and any such appointment may (if the Board thinks fit) be made in favor of the members or any of the Members of any Local Board, established as aforesaid or in favor of any Company, or the Shareholders, Directors, nominees or managers of any Company or firm or otherwise in favor 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;

225.31. Subject to Sections 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;

225.32. Subject to the provisions of the Act, the Board may pay such remuneration to Chairperson / Vice Chairperson of the Board upon such conditions as they may think fit.

225.33. To take insurance of any or all properties of the Company and any or all the employees and their dependants against any or all risks.

225.34. To take insurance on behalf of its managing Director, whole-time Director, manager, 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 any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

MANAGING DIRECTOR

Board may appoint Managing Director(s)

226. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member or members as Managing Director(s) of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of these Articles the Board may by resolution vest in such Managing Director(s) such of the powers 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 conditions and subject to such restrictions as it may determine.

227. Subject to the Article above, the powers conferred on the Managing Director shall be exercised for such objects 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. The Managing Director shall not exercise any powers under Section 179

of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.

Restriction on Management

228. The Board of Directors may, subject to Section 179 of the Act, entrust to and confer upon a Managing or whole time Director any of the powers exercisable by them, upon such terms and conditions and with such restrictions, 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.

Remuneration to Managing Directors/ Whole time Directors

229. A Managing or whole time Director may be paid such remuneration, whether by way of monthly payment, or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act, as the Board of Directors may determine.

POWER TO AUTHENTICATE DOCUMENTS

230. Subject to the Applicable Law, any Director or the Company Secretary or any officer appointed by the Board for the purpose shall have power to authenticate any documents 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 the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.

231. 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 the preceding Article shall be conclusive evidence in favor of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be that extract is a true and accurate records of a duly constituted meeting of the Directors.

THE SEAL

232. The Board may, in its absolute discretion, adopt a common seal for the Company.

233. The Board shall provide for the safe custody of the Seal, if adopted and shall have the power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Company shall also be at liberty to have an official Seal for use in any territory, district or place outside India.

234. The Seal of the Company, if any, shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of such Directors or such other person as the Board may specify/appoint for the purpose; and the Director.

MANAGEMENT OUTSIDE INDIA AND OTHER MATTERS

235. Subject to the provisions of the Act, the following shall have effect:

    235.1. The Board may from time to time provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.

235.2. Subject to the provisions of the Act, the Board may at any time establish any local Directorate for managing any of the Delegation. affairs of the Company outside India, and may appoint any person to be member of any such local Directorate or any manager or agents and may fix their remuneration and, save as provided in the Act, the Board may at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board and such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and annual or vary any such delegations.

235.3. The Board may, at any time and from time to time by power of attorney under Seal, if any, appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those which may be delegated by the Board under the Act and for such period and subject to such conditions as the Board may, from time to time, thinks fit, and such appointments may, if the Board thinks fit, be made in favor of the members or any of members of any local Directorate established as aforesaid, or in favor of the Company or of the members, Directors, nominees or officers of the Company or firm or In favor of any fluctuating body of persons whether nominated directly or indirectly by the Board, and any such Power of Attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Board thinks fit.

235.4. Any such delegate or Attorney as aforesaid may be authorized by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

235.5. The Company may exercise the power conferred by the Act with regard to having an Official seat for use abroad, and such powers shall be vested in the Board, and the Company may cause to be kept in any state or country outside India, as may be permitted by the Act, a Foreign Register of Member or Debenture holders residents in any such state or country and the Board may, from time to time make such regulations not being inconsistent with the provisions of the Act, and the Board may, from time to time make such provisions as it may think fit relating thereto and may comply with the requirements of the local law and shall In any case comply with the provisions of the Act.

DIVIDENDS AND RESERVE

Division of profits

236. 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.

The Company in general meeting may declare a Dividend

237. 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.

Dividend only to be paid out of profits

238. Subject to the provisions of the Act, the Dividend can be declared and paid only out of:

238.1. Profits of the financial year, after providing depreciation;
238.2. Accumulated profits of the earlier years, after providing for depreciation;

238.3. Out of monies provided by Central or State Government for payment of Dividend in pursuance of a guarantee given by the Government.

239. If the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of the Act, or against both.

Transfer to reserve

240. The Board may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.

241. Such reserve, being free reserve, may also be used to declare dividends in the event the Company has inadequate or absence of profits in any financial year, in accordance to Section 123 of the Act and Applicable Law made in that behalf. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Interim Dividend

242. Subject to the provisions of Section 123 of the Act 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.

Calls in advance not to carry rights to participate in profits

243. Where Capital is paid in advance of calls such Capital may carry interest but shall not in respect thereof confer a right to Dividend or participate in profits.

Payment of pro rata Dividend

244. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid; but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such Share shall rank for Dividend accordingly.

Deduction of money owed to the Company

245. 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.

Rights to Dividend where shares transferred

246. A transfer of Share shall not pass the right to any Dividend declared thereon before the registration of the transfer.

Dividend to be kept in abeyance

247. 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 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.

Notice of Dividend

248. 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.

Manner of paying Dividend

249. Subject to the Applicable Law, any Dividend, interest or other monies payable in cash in respect of shares may be paid by any electronic mode to the shareholder entitled to the payment of the Dividend, or by way of cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

250. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or Warrant or pay-slip or receipt lost in transmission, or for any Dividend lost to the member of person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the Dividend by any other means.

Receipts for Dividends

251. 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.

Non-forfeiture of unclaimed Dividend

252. No unclaimed Dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provision of Sections 124 and 125 of the Act in respect of all unclaimed or unpaid dividends.

ACCOUNTS

Directors to keep true accounts

253. The Company shall keep at the registered office or at such other place in India as the Board thinks fit, proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Act.

254. Where the Board decides to keep all or any of the Books of Account at any place in India other than the registered office of the Company the Company shall within seven days of the decision file with the Registrar a notice in writing giving, the full address of that other place.

255. The Company shall preserve in good order the books of account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.

256. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the preceding Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its registered office or at any other place in India, at which the Company’s Books of Account are kept as aforesaid.

257. The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its 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. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.

Preparation of revised financial statements or Boards' Report

258. Subject to the provisions of Section 131 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.

Places of keeping accounts

259. The Board shall from time to time determine whether and to what extent and at what times 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.

260. 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

Auditors to be appointed

261. Statutory Auditors and Cost Auditors, if any, shall be appointed and their rights and duties regulated in accordance with Sections 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.

262. Subject to the provisions of Section 139 of the Act and Applicable Laws made thereunder, the Statutory Auditors of the Company shall be appointed for a period of five consecutive years, 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.

Remuneration of Auditors

263. 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.

DOCUMENTS AND NOTICES

Service of documents and notice

264. A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or by way of any electronic transmission, as prescribed in Section 20 of the Act and Applicable Law made thereunder.

265. Where a document or notice is sent by post, services of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due

and has deposited with the Company a sum sufficient to defray the expenses of the doing so, service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of Notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

Notice to whom served in case of joint shareholders

266. A document or notice may be served or given by the Company on or given to the joint-holders of a Share by serving or giving the document or notice on or to the joint-holders named first in the Register of Members in respect of the Share.

Notice to be served to representative

267. A document or notice may be served or given by the Company on or to the persons entitled to a Share in consequence of the death or insolvency of a member by sending it through post in a prepaid letter addressed to him or them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

Service of notice of General Meetings

268. Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member, (b) every Director of the Company and (c) the Auditor(s) for the time being of the Company.

Members bound by notice

269. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such shares, which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he drives his title to such shares.

Documents or notice to be signed

270. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorized by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed.

WINDING UP

271. Subject to the provisions of the Act and Applicable Law:

271.1. If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, but subject to the rights attached to any preference Share Capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.

271.2. 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.

271.3. 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.

BONAFIDE EXERCISE OF MEMBERSHIP RIGHTS

272. Every Member and other Security holder will use rights of such Member/ Security holder as conferred by Applicable Law or these Articles bonafide, in best interest of the Company or for protection of any of the proprietary interest of such Member/security holder, and not for extraneous, vexatious or frivolous purposes. The Board shall have the right to take appropriate measures, and in case of persistent abuse of powers, expulsion of such Member or other Security holder, in case any Member/Security holder abusively makes use of any powers for extraneous, vexatious or frivolous purposes

INDEMNITY

273. For the purpose of this Article, the following expressions shall have the meanings respectively assigned below:

273.1. **"Claims"** means all claims for fine, penalty, amount paid in a proceeding for compounding or immunity proceeding, actions, prosecutions, and proceedings, whether civil, criminal or regulatory;

273.2. **"Indemnified Person"** shall mean any Director, officer or employee of the Company, as determined by the Board, who in bonafide pursuit of duties or functions or of honest and reasonable discharge any functions as a Director, officer or employees, has or suffers any Claims or Losses, or against whom any Claims or Losses are claimed or threatened;

273.3. **"Losses"** means any losses, damages, cost and expense, penalties, liabilities, compensation or other awards, or any settlement thereof, or the monetary equivalent of a non-monetary suffering, arising in connection with any Claim;

Indemnification

274. Where Board determines that any Director, officer or employee of the Company should be an Indemnified Person herein, the Company shall, to the fullest extent and without prejudice to any other indemnity to which the Indemnified Person may otherwise be entitled, protect, indemnify and hold the Indemnified Person harmless in respect of all Claims and Losses, arising out of, or in connection with, the actual or purported exercise of, or failure to exercise, any of the Indemnified Person's powers, duties or responsibilities as a Director or officer of the Company or of any of its subsidiaries, together with all reasonable costs and expenses (including legal and professional fees).

275. The Company shall further indemnify the Indemnified Person and hold him harmless on an 'as incurred' basis against all legal and other costs, charges and expenses reasonably incurred in defending Claims including, without limitation, Claims brought by, or at the request of, the Company and any investigation into the affairs of the Company by any judicial, governmental, regulatory or other body.

276. The indemnity herein shall be deemed not to provide for, or entitle the Indemnified Person to, any indemnification against:

276.1. Any liability incurred by the Indemnified Person to the Company due to breach of trust, breach of any statutory or contractual duty, fraud or personal offence of the Indemnified Person;

276.2. Any liability arising due to any benefit wrongly availed by the Indemnified Person;

276.3. Any liability on account of any wrongful information or misrepresentation done by the Indemnified Person

277. The Indemnified Person shall continue to be indemnified under the terms of the indemnities in this Deed notwithstanding that he may have ceased to be a Director or officer of the Company or of any of its subsidiaries.

SECRECY

278. 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 the 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 maybe necessary in order to comply with any of the provisions in these Presents and the provisions of the Act.

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.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been 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 years before the date of the Red Herring Prospectus) which are or may be deemed material are attached to the copy of this Prospectus which has been delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents and contracts for inspection referred to hereunder, were made available for inspection at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Prospectus until the Bid/ Issue Closing Date (except for such agreements executed after the Bid/ Issue Closing Date). Copies of the documents for inspection referred to hereunder, were also available on the website of the Company at https://www.diffusionengineers.com/investors-relation from the date of the Red Herring Prospectus until the Bid/ Issue Closing Date (except for such agreements executed after the Bid/Issue 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 with the provisions of the Companies Act and other applicable law.

A. Material Contracts for the Issue

1. Issue Agreement dated December 22, 2023 entered into between our Company and the BRLM;
2. Registrar Agreement dated December 22, 2023 entered into amongst our Company and the Registrar to the Issue;
3. Cash escrow and sponsor bank agreement dated September 19, 2024 amongst our Company, the Registrar to the Issue, the Syndicate Member, the BRLM, the Escrow Collection Bank(s), Public Issue Account Bank(s), Sponsor Banks and the Refund Bank(s);
4. Syndicate agreement dated September 18, 2024 amongst our Company, the BRLM, the Syndicate Member and the Registrar to the Issue;
5. Underwriting Agreement dated September 30, 2024 amongst our Company, the Registrar to the Issue, Syndicate Member and the Underwriters; and
6. Monitoring agency agreement dated September 16, 2024 amongst our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time;
2. Certificate of incorporation dated November 05, 1982 issued by the RoC and fresh Certificate of incorporation dated July 03, 1995 issued by the RoC consequent to conversion into public limited company;
3. Resolution of the Board of Directors dated December 13, 2023 and special resolution dated December 20, 2023 passed by our Shareholders in relation to the Issue and other related matters;
4. Resolution of our Board of Directors dated April 26, 2024 approving the Draft Red Herring Prospectus;
5. Resolution of our Board of Directors dated September 20, 2024 approving the Red Herring Prospectus;
6. Resolution of our Board of Directors dated September 30, 2024 approving this Prospectus;
7. Examination report dated July 31, 2024, of our Statutory Auditors on our Restated Consolidated Financial Statements, included in this Prospectus;
8. Copies of the annual reports of the Company for the Fiscal 2024, 2023 and 2022;
9. Agreement dated December 08, 2023 entered by the Company with our Managing Director, Prashant Garg with respect to his appointment.
10. The statement of possible special tax benefits dated September 16, 2024 from the Statutory Auditors;

11. Consents of our Promoters, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Legal Counsel to the Issuer, the Book Running Lead Manager, the Registrar to the Issue, Banker to our Company, to act in their respective capacities;
12. Consent dated September 16, 2024 by Statutory Auditors, M/s. PGS & Associates, Chartered Accountants, Chartered Accountants, to include their name in this Prospectus and as an "Expert" defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act, in respect of the examination report of the Auditors on the Restated Consolidated Financial Statements dated July 31, 2024 and statement of possible special tax benefits dated September 16, 2024 included in this Prospectus;
13. Certificate dated September 16, 2024 by the Statutory Auditors, M/s. PGS & Associates, Chartered Accountants verifying the key performance indicators (KPI).
14. Certificates dated September 16, 2024 by M/s. PGS & Associates, Chartered Accountants, our Statutory Auditors in respect of Certificate on cost of acquisition, average cost of acquisition and weighted average cost of acquisition.
15. Certificate dated September 16, 2024 by M/s. PGS & Associates, Chartered Accountants, our Statutory Auditors in respect of Certificate on working capital assessment towards Objects of the Issue.
16. Certificate dated September 16, 2024 by M/s. PGS & Associates, Chartered Accountants, our Statutory Auditors in respect of Certificate on Financial Indebtedness
17. Certificate dated September 20, 2024 by M/s. PGS & Associates, Chartered Accountants, our Statutory Auditors on the Objects of the Issue.
18. Certificate dated September 16, 2024 by M/s. PGS & Associates, Chartered Accountants, our Statutory Auditors on build-up of share capital.
19. Consent dated September 19, 2024 by M/s. Sandeep Mashru & Co., Independent Chartered Engineer, to include their name in this Prospectus and as an "Expert" defined under Section 2(38) of the Companies Act in respect of the certificates dated August 21, 2024 and September 19, 2024;
20. Consent dated September 5, 2024 from CRISIL, to include contents or any part thereof from their report titled "*Assessment of welding consumables, wear plates and heavy engineering market in India*" dated September 2024 in this Prospectus;
21. Report titled "*Assessment of welding consumables, wear plates and heavy engineering market in India*" dated September 2024, prepared and issued by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited and commissioned by our Company for an agreed fees;
22. Letter dated June 05, 2024, sent by the Company to RoC intimating RoCs office about the discrepancies, errors and missing records.
23. Consent dated August 21, 2024 from P.M. Vala & Associates, Company Secretaries for the discrepancies / errors in RoC filing.
24. Certificate dated June 06, 2024, from P.M. Vala & Associates, Company Secretaries, in relation to discrepancies and errors.
25. BRLM confirmation dated July 03, 2024 for compliance with SEBI circulars.
26. Consent dated August 21, 2024 from Madhav Kawade, Peer Reviewed Practicing Company Secretary for (i) the Physical ROC Search Report; and (ii) Compliance Certificate for the exit offer process.
27. Search report dated December 21, 2023 from Madhav Kawade, Peer Reviewed Practicing Company Secretary in relation to physical searches conducted at the office of RoC.
28. Certificate dated February 21, 2024 from Madhav Kawade, Peer Reviewed Practicing Company Secretary certifying that the exit offer process was undertaken in compliance with the SEBI Circulars.
29. Tripartite agreement dated December 11, 2012 between our Company, NSDL and the Registrar to the Issue;
30. Tripartite agreement dated October 27, 2023 between our Company, CDSL and the Registrar to the Issue;
31. In principle listing approvals dated July 26, 2024 and July 26, 2024 issued by BSE and NSE respectively;
32. Due diligence certificate dated April 27, 2024, addressed to the SEBI from the BRLM; and
33. SEBI final observation letter bearing reference number SEBI/HO/CFD/RAC-DIL1/ EB/SM/2024/24400/1 dated July 30, 2024.

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or 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 the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Prashant Garg
Chairman and Managing Director

Date: September 30, 2024
Place: Nagpur, Maharashtra

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or 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 the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Dr. Nitin Garg
Non-Executive Director

Date: September 30, 2024
Place: Bhopal, Madhya Pradesh

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or 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 the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Chitra Garg
Non-Executive Director

Date: September 30, 2024
Place: Nagpur, Maharashtra

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or 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 the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Anil Trigunayat
Independent Director

Date: September 30, 2024
Place: Gurugram, Haryana

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or 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 the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sherry Oommen
Independent Director

Date: September 30, 2024
Place: Kochi, Kerala

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or 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 the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Deepali Bendre
Independent Director

Date: September 30, 2024
Place: Nagpur, Maharashtra

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or 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 the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Abhishek Mehta
Chief Financial Officer

Date: September 30, 2024
Place: Nagpur, Maharashtra