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DRAFT RED HERRING PROSPECTUS
Dated August 19, 2024
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

UNIMECH
Engineering Efficiency and Quality

UNIMECH AEROSPACE AND MANUFACTURING LIMITED

Corporate Identity Number: U30305KA2016PLC095712

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
538, 539, 542 & 543, 7th Main of Peenya IV Phase Industrial Area, Yeshwanthpur Hobli, Bangalore, North Taluk - 560058, Bangalore, Karnataka, India	Krishnappayya Desai *Company Secretary and Compliance Officer*	**E-mail**: investorrelations@unimechaerospace.com **Telephone**: 080-4204 6782	www.unimechaerospace.com

OUR PROMOTERS: ANIL KUMAR P, RAMAKRISHNA KAMOJHALA, MANI P, RAJANIKANTH BALARAMAN, PREETHAM S V

DETAILS OF THE OFFER

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIBs, RIBs AND ELIGIBLE EMPLOYEES
Fresh Issue and Offer for Sale	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to 2,500.00 million	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 2,500.00 million	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 5,000.00 million	The Offer is being made through Book Building process, in terms of Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957 as amended ("**SCRR**") read with regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018 as amended ("**SEBI ICDR Regulations**") and in compliance with Regulation 6(1) of the SEBI ICDR Regulations. For details, see "***Other Regulatory and Statutory Disclosures–Eligibility for the Offer***" on page 335. For details of share reservation among QIBs, NIBs, RIBs and Eligible Employees see "***Offer Structure***" on page 352.

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

NAME OF THE SELLING SHAREHOLDERS	TYPE	NO. OF EQUITY SHARES OFFERED	WACA PER EQUITY SHARE (₹)
Ramakrishna Kamojhala	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 450.00 million	0.24
Mani P	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 450.00 million	0.24
Rajanikanth Balaraman	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 450.00 million	0.24
Preetham S V	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 300.00 million	0.24
Rasmi Anil Kumar	Promoter Group Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 850.00 million	2.30

WACA: Weighted Average Cost of Acquisition
As certified by Vishnu Daya & Co LLP, Independent Chartered Accountants, with firm registration number 008456S, by way of their certificate dated August 19, 2024.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹5 each. The Floor Price, Cap Price and Offer Price determined by our Company in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with the SEBI ICDR Regulations and as stated under "***Basis for Offer Price***" on page 121, 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

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (the "**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page 28.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Each of the Selling Shareholders severally and not jointly, accepts responsibility for and confirms only the statements made by it in this Draft Red Herring Prospectus to the extent of information specifically pertaining to it, and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company received an in-principle approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purpose of the Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus will be filed with the RoC in accordance with Section 26(4) and 32 of the Companies Act, 2013.

BOOK RUNNING LEAD MANAGERS

NAME OF BOOK RUNNING LEAD MANAGER AND LOGO	CONTACT PERSON	E-MAIL AND TELEPHONE
ANANDRATHI INVESTMENT BANKING **Anand Rathi Advisors Limited**	Arpan Tandon	**E-mail:** ipo.unimech@rathi.com **Telephone**: +91 22 4047 7120
equirus **Equirus Capital Private Limited**	Malay Shah / Subah Hindaria	**E-mail**: unimech.ipo@equirus.com **Telephone**: +91 22 4332 0736

REGISTRAR TO THE OFFER

NAME AND LOGO OF THE REGISTRAR	CONTACT PERSON	E-MAIL AND TELEPHONE
KFINTECH EXPERIENCE TRANSFORMATION **KFin Technologies Limited**	M. Murali Krishna	**E-mail**: uaml.ipo@kfintech.com **Telephone**: +91 40 6716 2222

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE*	[●]	BID/OFFER OPENS ON*	[●]	BID/OFFER CLOSES ON**^	[●]

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

** *Our Company in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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

DRAFT RED HERRING PROSPECTUS
Dated August 19, 2024
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

UNIMECH AEROSPACE AND MANUFACTURING LIMITED

Our Company was originally incorporated as "*Unimech Aerospace and Manufacturing Private Limited*" under the provisions of the Companies Act, 2013 pursuant to a certificate of incorporation dated August 12, 2016, issued by the Central Registration Centre, for and on behalf of the Jurisdictional Registrar of Companies, Karnataka at Bangalore ("**RoC**"). The name of our Company was subsequently changed to "*Unimech Aerospace and Manufacturing Limited*", upon conversion of our Company from a private limited to a public limited company, pursuant to a board resolution dated February 14, 2024, and a shareholders' resolution dated March 4, 2024. A fresh certificate of incorporation dated June 21, 2024, was issued by the RoC. For further details of change in name and Registered Office of our Company, please refer to the section titled "***History and Certain Corporate Matters – Brief history of our Company***" and "***History and Certain Corporate Matters – Changes in the Registered Office of our Company***" on page 208.

Registered and Corporate Office: 538, 539, 542 & 543, 7th Main of Peenya IV Phase Industrial Area, Yeshwanthpur Hobli, Bangalore North Taluk - 560058, Bangalore, Karnataka, India.
Telephone: 080-4204 6782; **Contact Person**: Krishnappayya Desai, Company Secretary and Compliance Officer;
E-mail: investorrelations@unimechaerospace.com; **Website**: www.unimechaerospace.com
Corporate Identity Number: U30305KA2016PLC095712

OUR PROMOTERS: ANIL KUMAR P, RAMAKRISHNA KAMOJHALA, MANI P, RAJANIKANTH BALARAMAN, PREETHAM S V

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH ("EQUITY SHARES") OF UNIMECH AEROSPACE AND MANUFACTURING LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹ 5,000.00 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH BY OUR COMPANY AGGREGATING UP TO ₹ 2,500.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH AGGREGATING UP TO ₹ 2,500.00 MILLION (THE "OFFER FOR SALE"), COMPRISING UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH AGGREGATING UP TO ₹ 450.00 MILLION BY RAMAKRISHNA KAMAJHOLA, UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH AGGREGATING UP TO ₹ 450.00 MILLION BY MANI P, UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH AGGREGATING UP TO ₹ 450.00 MILLION BY RAJANIKANTH BALARAMAN, UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH AGGREGATING UP TO ₹ 300.00 MILLION BY PREETHAM S V AND UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH AGGREGATING UP TO ₹ 850.00 MILLION BY RASMI ANIL KUMAR (REFERRED TO AS THE "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH, AGGREGATING UP TO ₹[•] MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES NOT EXCEEDING 5% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [•]% AND [•]%, RESPECTIVELY, OF THE FULLY DILUTED POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 5 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF EQUITY SHARE. THE EMPLOYEE DISCOUNT (IF ANY)PRICE BAND AND THE MINIMUM BID LOT WILL BE DETERMINED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS (THE "BRLMs") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE [●] (A WIDELY CIRCULATED ENGLISH NATIONAL NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED KANNADA NATIONAL NEWSPAPER, KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE" AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

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

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis by our Company, in consultation with the BRLMs, 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 being received from the domestic Mutual Funds at or above the price at which allocation is 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 shall be 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, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders ("**Non-Institutional Portion**"), in accordance with the SEBI ICDR Regulations, of which one-third of the Non-Institutional Portion 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 Portion 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 the Non-Institutional Portion may be allocated to Bidders in the other sub-category of the Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Net Offer shall be available for allocation to Retail Individual Portion ("**Retail Portion**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in the Offer 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 by the Sponsor Bank(s) or pursuant to the UPI Mechanism, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "***Offer Procedure***" on page 356.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹5 each. The Floor Price, Cap Price and Offer Price determined by our Company in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with the SEBI ICDR Regulations and as stated under "***Basis for Offer Price***" on page 121, 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

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page 28.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Each of the Selling Shareholders severally and not jointly, accepts responsibility for and confirms only the statements made by it in this Draft Red Herring Prospectus to the extent of information specifically pertaining to it, and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company received an in-principle approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purpose of the Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus will be filed with the RoC in accordance with Section 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "***Material Contracts and Documents for Inspection***" on page 395.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
ANANDRATHI INVESTMENT BANKING	equirus	KFINTECH EXPERIENCE TRANSFORMATION
Anand Rathi Advisors Limited 11th Floor, Times Tower, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel Mumbai 400 013, Maharashtra, India **Telephone:** +91 22 4047 7120 **E-mail:** ipo.unimech@rathi.com **Investor Grievance E-mail:** grievance.ecm@rathi.com **Website:** www.anandrathiib.com **Contact Person:** Arpan Tandon **SEBI Registration No.:** INM000010478	**Equirus Capital Private Limited** 1201, C Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel Mumbai 400 013, Maharashtra, India **Telephone**: +91 22 4332 0736 **E-mail**: unimech.ipo@equirus.com **Website**: www.equirus.com **Investor grievance e-mail**: investorsgrievance@equirus.com **Contact person**: Malay Shah / Subah Hindaria **SEBI registration no.**: INM000011286	**KFin Technologies Limited** Selenium, Tower B, Plot No. 31 and 32, Gachibowli, Financial District Nanakramguda, Serilingampally Hyderabad 500 032 Telangana, India **Telephone:** +91 40 6716 2222 **E-mail:** uaml.ipo@kfintech.com **Investor Grievance e-mail:** einward.ris@kfintech.com **Website:** www.kfintech.com **Contact Person:** M. Murali Krishna **SEBI Registration No.:** INR000000221

BID/OFFER PERIOD

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

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

** *Our Company in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless otherwise specified or the context otherwise indicates, requires or implies, shall have the meanings as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be deemed to include all amendments, supplements, re-enactments and modifications thereto, from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time thereunder.

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

*Notwithstanding the foregoing, the terms used in "**Objects of the Offer**", "**Basis for Offer Price**", "**Statement of Special Tax Benefits**", "**Industry Overview**", "**Key Regulations and Policies in India**", "**History and Certain Corporate Matters**", "**Restated Consolidated Financial Information**", "**Financial Indebtedness**", "**Outstanding Litigation and Material Developments**" "**Other Regulatory and Statutory Disclosures**", and "**Description of Equity Shares and Terms of Articles of Association**" on pages 101, 121, 134, 141, 202, 208, 242, 294, 326, 334 and 377, respectively, shall have the respective meanings ascribed to them in the relevant sections.*

General Terms

Term(s)	Description
"our Company" or "the Company" or "the Issuer"	Unimech Aerospace and Manufacturing Limited, a company incorporated under the Companies Act, 2013 and having its Registered and Corporate Office at 538, 539, 542 & 543, 7th Main of Peenya IV Phase Industrial Area, Yeshwanthpur Hobli, Bangalore North Taluk - 560058, Bangalore, Karnataka, India.
"we", "us", "our" or "group"	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries, on a consolidated basis.

Company Related Terms

Term(s)	Description
"Articles of Association" or "Articles" or "AoA"	The articles of association of our Company, as amended from time to time.
Audit Committee	The audit committee of our Board of Directors, as disclosed in "***Our Management – Committees of the Board –Audit Committee***" on page 225.
"Auditors" or "Statutory Auditors"	The statutory auditors of our Company, namely, MSKA & Associates, Chartered Accountants.
"Board" or "Board of Directors"	The board of directors of our Company, as constituted from time to time, including a duly constituted committee thereof. For details, see "***Our Management – Board of Directors***" on page 215.
"CCD"	Compulsory convertible debentures of face value of ₹ 100 each.
Chairman	The chairman of our Company, namely, Anil Kumar P. For details see "***Our Management – Board of Directors***" on page 215.
Chief Financial Officer	The chief financial officer of our Company, namely, Ramakrishna Kamojhala. For details see "***Our Management – Key Managerial Personnel"*** *and* ***"Our Management - Senior Management***" on page 233.
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely, Krishnappayya Desai. For details see "***Our Management – Key Managerial Personnel"*** *and* ***"Our Management - Senior Management***" on page 233.
Corporate Social Responsibility Committee	The corporate social responsibility committee of the Board of Directors, described in "***Our Management – Corporate Governance***" on page 224.
Director(s)	The director(s) on our Board, as appointed from time to time.
Equity Shares	The equity shares of our Company of face value of ₹ 5 each.
ESOP Policy	Unimech Employee Stock Option Policy, 2024, as amended from time to time.
Executive Director	The executive directors of the Company namely, Anil Kumar P, Ramakrishna Kamojhala, Mani P, Rajanikanth Balaraman and Preetham S V. For details see "***Our Management – Board of Directors***" on page 215.

Term(s)	Description
"Independent Chartered Accountants" or "ICA"	Vishnu Daya & Co LLP, Independent Chartered Accountants, with firm registration number 008456S.
"Independent Chartered Engineer" or "ICE"	Nagsons Engineers & Consultants, Independent Chartered Engineer registered with Institution of Engineers (India), bearing membership number AM162085-4
Independent Director(s)	The independent director(s) of our Company, as disclosed in "***Our Management – Board of Directors***" on page 215.
Investor(s)	The investors of our Company, namely, ValueQuest SCALE Fund (a scheme of ValueQuest Alternate Investment Trust), Evolvence India Fund IV Ltd, and Steadview Capital Mauritius Limited.
IPO Committee	The IPO committee of our Board constituted vide resolution of the Board dated July 3, 2024.
"Key Managerial Personnel" or "KMP"	The key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, and as disclosed in "***Our Management – Key Managerial Personnel***" on page 233.
Managing Director	The managing director of our Company, namely, Anil Kumar P. For details see "***Our Management – Board of Directors***" on page 215.
"Material Subsidiary"	The material subsidiary of our Company as on the date of this Draft Red Herring Prospectus, namely, Innomech Aerospace Toolings Private Limited, identified in terms of the SEBI ICDR Regulations and SEBI LODR Regulations.
Materiality Policy	The materiality policy of our Company adopted pursuant to a resolution of our Board dated August 7, 2024 for the identification of (a) material outstanding litigation proceedings; (b) group companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus, and the Prospectus. For further details see, "***Our Group Company***" and "***Outstanding Litigation and Material Developments***" on pages 240 and 326, respectively.
"Memorandum of Association" or "Memorandum" or "MoA"	The memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board of Directors, as disclosed in "***Our Management - Committees of our Board – Nomination and Remuneration Committee***" on page 227.
Promoters	The promoters of our Company, namely, Anil Kumar P, Ramakrishna Kamojhala, Mani P, Rajanikanth Balaraman, Preetham S V. For details see "***Promoters and Promoter Group – Our Promoters***" on page 235.
Promoter Group	The 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 "***Promoters and Promoter Group – Promoter Group***" on page 235.
Registered and Corporate Office	The registered and corporate office of our Company situated at 538, 539, 542 & 543, 7th Main of Peenya IV Phase Industrial Area, Yeshwanthpur Hobli, Bangalore North Taluk - 560058, Bangalore, Karnataka, India.
"Registrar of Companies" or "RoC"	Registrar of Companies, Karnataka at Bangalore.
Restated Consolidated Financial Information	Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 and Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Statement of Changes in Equity, Restated Consolidated Statement of Cash Flows along with the Statement of Material Accounting Policies and other explanatory information for years ended March 31, 2024, March 31, 2023 and March 31, 2022
Risk Management Committee	The risk management committee of our Board of Directors as disclosed in "***Our Management - Committees of our Board – Risk Management Committee***" on page 230.
Selling Shareholders	Collectively refers to Promoter Selling Shareholder and Promoter Group Selling Shareholder
"Senior Management Personnel" or "Senior Management" or "SMP"	Senior management of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as described in "***Our Management – Senior Management Personnel***" on page 233.
Shareholders	The holders of the equity shares, from time to time.
Stakeholders Relationship Committee	The stakeholder's relationship committee of our Board of Directors, as disclosed in "***Our Management– Committees of the Board – Stakeholders' Relationship Committee***" on page 229.
Subsidiaries	The subsidiaries of our Company, Innomech Aerospace Toolings Private Limited and Unimech Global Manufacturing Solutions Inc.

Term(s)	Description
Unit I	Our facility in Unit I located at plot number 538, 539, 542 & 543, 7th Main of Peenya IV Phase Industrial Area, Yeshwanthpur Hobli, Bangalore, North Taluk - 560058, Bangalore, Karnataka.India.
Unit II	Our manufacturing facility located on industrial land allotted by the Karnataka Industrial Areas Development Board ("**KIADB**") at Bengaluru Aerospace SEZ park (Karnataka) in November 2019 and operated through our Subsidiary, Innomech.
Whole-time Director(s)	The whole-time directors of our Company. For further details, see "***Our Management***" on page 215.

Offer Related Terms

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

Term	Description
	acceptance of a UPI Mandate Request made by the UPI Bidder 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 Bidder(s), except Anchor Investors.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as disclosed in "***Offer Procedure***" on page 356.
Bid(s)	An indication to make an offer during the Bid/Offer Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by the Anchor Investors 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, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus and the relevant Bid cum Application Form. The term "Bidding" shall be construed accordingly.
Bid Amount	The highest value of the Bids as indicated in the Bid cum Application Form and in the case of RIIs and Eligible Employees Bidding under the Employee Reservation Portion, Bidding at the Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Eligible Employees Bidding under the Employee Reservation Portion, and mentioned in the Bid cum Application Form and payable by the Bidder or as blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the case may be.
Bid Lot	[●] Equity Shares of face value of ₹ 5 each and in multiples of [●] Equity Shares thereafter.
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids, which shall be notified in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] and [●] edition of the Kannada daily newspaper [●] (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation. Our Company may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges and shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank(s), which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations.
Bid/Offer Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of [●], the English national daily newspaper, all editions of [●], the Hindi national daily newspaper and [●] edition of [●], the Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation.
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof.
"Bidder" or "Applicant"	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, the Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs, and Designated CDP Locations for CDPs.
Book Building Process	The book building process as described in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, being Anand Rathi Advisors Limited and Equirus Capital Private Limited.
Broker Centres	The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker (in case of UPI Bidders, only using UPI Mechanism). The details of such Broker Centres, along with the names and contact details of the Registered Brokers are

Term	Description
	available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), updated from time to time.
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, subject to any revision thereto, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, and which shall be a least 105% of the Floor Price and shall not be more than 120% of the Floor Price.
Cash Escrow and Sponsor Banks Agreement	The agreement to be entered into among our Company, the Selling Shareholders, the Syndicate Members, the Registrar to the Offer, the BRLMs, and the Bankers to the Offer for collection of the Bid Amounts from Anchor Investors transfer of funds to the Public Offer Account and where applicable remitting refunds of the amounts collected from Bidders, on the terms and conditions thereof.
Client ID	Client identification number maintained with one of the Depositories in relation to a dematerialised account.
"Collecting Depository Participant" or "CDP"	A depository participant, as defined under the Depositories Act and registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the UPI Circulars, issued by SEBI as per the list available on the websites of the Stock Exchanges, as updated from time to time.
Cut-off Price	The Offer Price, finalised by our Company, in consultation with the BRLMs, which shall be any price within the Price Band. Only RIIs in the Retail Category and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, as applicable.
Designated Branches	Such branches of the SCSBs which will collect the ASBA Forms used by the ASBA Bidders and a list of which is available on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time, or any such other website as may be prescribed by the SEBI.
Designated CDP Locations	Such centres of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time.
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account(s) to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of Retail Individual Bidders using the UPI Mechanism, instruction issued through the Sponsor Bank(s)) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus following which Equity Shares will be Allotted in the Offer.
Designated Intermediaries	Collectively, the members of the Syndicate, sub-Syndicate or agents, SCSBs (other than in relation to UPI Bidders using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect. Bid cum Application Forms from the relevant Bidders, in relation to the Offer. In relation to ASBA Forms submitted by Retail Individual Bidders by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder, as the case may be, using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to the 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).

Term	Description
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated August 19, 2024, filed with SEBI and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto.
Escrow Account(s)	Account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when submitting a Bid.
Escrow Collection Bank(s)	The bank(s), which is a clearing member and registered with SEBI as a banker to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account will be opened, in this case, being [●].
Eligible Employees	Permanent employees, working in India or outside India, of our Company, or a Director of our Company, whether whole-time or not, as of the date of the filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company, respectively, but not including (i) the Promoters; (ii) the members of the Promoter Group; or (iii) the Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 0.50 million (net of Employee Discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million. Only in the event of an under-subscription in the Employee Reservation Portion post initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹0.20 million, subject to the total Allotment to an Eligible Employee not exceeding ₹0.50 million (net of Employee Discount, if any).
Eligible FPIs	FPI(s) that are eligible to participate in the Offer in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares.
Eligible NRI	NRI(s) that are eligible to participate in the Offer in terms of applicable law and from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase the Equity Shares.
Employee Discount	A discount of ₹ [●] per Equity Share to the Offer Price as may be offered by our Company, in consultation with the BRLMs, to Eligible Employees and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date.
Employee Reservation Portion	The portion of the Offer, being up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ [●] million, not exceeding 5% of the post-Offer paid-up Equity Share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis.
Equirus	Equirus Capital Private Limited
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revisions thereof, at or above which the Offer Price and Anchor Investor Offer Price will be finalised and below which no Bids will be accepted, and which shall not be less than the face value of the Equity Shares.
F&S	Frost and Sullivan (India) Private Limited.
F&S Report	Report titled 'Overview of Global Tooling & PEC Market' dated August 17, 2024 prepared and issued by F&S, appointed by our Company pursuant to an engagement letter dated March 20, 2024, commissioned and paid for by our Company in connection with Offer.
Fresh Issue	The issue of up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 2,500.00 million by our Company.
"General Information Document" or "GID"	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 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 BRLMs.
Gross Proceeds	The Offer proceeds from the Fresh Issue.
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&in tmId=43 or

Term	Description
	such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism as provided under 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.
Monitoring Agency	[●], being a credit rating agency registered with SEBI.
Monitoring Agency Agreement	The monitoring agency agreement to be entered into between our Company and the Monitoring Agency.
Mutual Fund(s)	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	5% of the QIB Portion or [●] Equity Shares which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Net Offer	The Offer less the Employee Reservation Portion.
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer related expenses. For further details regarding the use of the Net Proceeds and the Offer related expenses, see "***Objects of the Offer***" on page 101.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
"Non-Institutional Bidders" or "NIB"	All Bidders, including FPIs other than individuals, corporate bodies and family offices, registered with SEBI that are not QIBs (including Anchor Investors) or Retail Individual Investors, or the Eligible Employees Bidding in the Employee Reservation Portion who have Bid for Equity Shares for an amount of more than ₹ 0.20 million (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Offer, being not less than 15% of the Offer or [●] Equity Shares, which will be made available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, of which one-third of the Non-Institutional Portion 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 Portion shall be available for allocation to Bidders with an application size of more than ₹1.00 million provided that under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.
Offer	The initial public offer of [●] Equity Shares of face value of ₹5 each for cash at a price of ₹ [●] each, aggregating up to ₹ 5,000.00 million comprising the Fresh Issue and the Offer for Sale.
Offer Agreement	The agreement dated August 19, 2024 entered into among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	The offer for sale of up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 2,500.00 million by the Selling Shareholders.
Offer Price	The final price (within the Price Band) at which Equity Shares will be Allotted to the successful Bidders (except for the Anchor Investors), in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company in consultation with the BRLMs, in terms of the Red Herring Prospectus. The Offer Price will be determined by our Company in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus.
Offer Proceeds	The Net Proceeds, and the proceeds of the Offer for Sale which shall be available to the Selling Shareholder. For further information about use of the Offer Proceeds, see "***Objects of the Offer***" on page 101.
Offered Shares	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 2,500.00 million being offered for sale by the Selling Shareholders in the Offer for Sale.
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (*i.e.*, the Floor Price) and the maximum price of ₹[●] per Equity Share (*i.e.*, the Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLMs and shall be advertised in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] and [●] edition of the Kannada daily newspaper [●] (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company in consultation with the BRLMs, shall finalise the Offer Price.

Term	Description
Promoter Selling Shareholder(s)	Ramakrishna Kamojhala, Mani P, Rajanikanth Balaraman and Preetham S V
Promoter Group Selling Shareholder	Rasmi Anil Kumar
Prospectus	The prospectus for the Offer to be filed with the RoC on or after the Pricing Date in accordance with the provisions of Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, and containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account(s)	'No-lien' and 'non-interest-bearing' bank account(s) to be opened in accordance with Section 40(3) of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Account(s) and the ASBA Accounts maintained with the SCSBs on the Designated Date.
Public Offer Account Bank(s)	The bank(s) which are clearing members and registered with the SEBI as a banker to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with which the Public Offer Account(s) shall be opened, being [●].
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer or not more than [●] Equity Shares of face value of ₹ 5 each which shall be available for allocation on a proportionate basis to QIBs (including Anchor Investors in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price, as applicable.
"Qualified Institutional Buyer(s)" or "QIBs" or "QIB Bidders"	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
"Red Herring Prospectus" or "RHP"	The red herring prospectus for the Offer to be issued by our Company in accordance with the Companies Act, the SEBI ICDR Regulations which will not have complete particulars of the Offer Price, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date.
Refund Account(s)	The account opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to the Bidders.
Refund Bank(s)	The bank(s) which are clearing member(s) registered with SEBI under the SEBI BTI Regulations, with whom the Refund Account(s) will be opened, in this case being [●].
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number no. CIR/CFD/14/2012 dated October 4, 2012 and the UPI Circulars, issued by SEBI.
Registrar Agreement	The agreement dated August 19, 2024 entered into among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars.
"Registrar to the Offer" or "Registrar"	KFin Technologies Limited.
"Retail Individual Bidders" or "RIBs"	Bidders (including HUFs and Eligible NRIs) other than Eligible Employees Bidding in the Employee Reservation Portion, whose Bid Amount for Equity Shares in the Offer is not more than ₹ 0.20 million in any of the Bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	Portion of the Net Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form, as applicable. QIBs Bidding in the QIB Portion and Non-Institutional Investors Bidding in the Non-Institutional Category are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during Bid/Offer period and withdraw their Bids until Bid/Offer Closing Date.

Term	Description
"Self-Certified Syndicate Banks" or "SCSBs"	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA (other than through the UPI Mechanism), where the Bid Amount will be blocked by authorizing an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Share Escrow Agent	Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●].
Share Escrow Agreement	The agreement to be entered into by our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees.
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from the ASBA Bidders, a list of which is which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time.
Sponsor Bank(s)	[●] being the Banker to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders and carry out any other responsibilities, in terms of the UPI Circulars.
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms.
"Syndicate" or "members of the Syndicate"	Collectively, the BRLMs and the Syndicate Members.
Syndicate Agreement	The agreement to be entered into among the members of the Syndicate, our Company, the Selling Shareholders, and the Registrar to the Offer in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, in this case being [●].
Underwriters	[●].
Underwriting Agreement	The agreement to be entered into among our Company, the Selling Shareholders, and the Underwriters, prior to filing the Red Herring Prospectus or the Prospectus with the RoC, as applicable. For further details, see "***General Information – Underwriting Agreement***" on page 86.
UPI	Unified payments interface, which is an instant payment mechanism developed by NPCI.
UPI Bidders	Collectively, individual investors who applied as (i) Retail Individual Investors in the Retail Category, (ii) Eligible Employees, under the Employee Reservation Portion, and (iii) Individuals applying as Non-Institutional Investors with an application size of up to ₹0.50 million in the Non-Institutional Category, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, 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 ₹0.50 million 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 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 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

Term	Description
	SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/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, (to the extent these circulars are not rescinded by the SEBI RTA Master Circular), SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, SEBI RTA Master Circular (to the extent that such circulars pertain to the UPI Mechanism), SEBI ICDR Master Circular along with the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard.
UPI ID	An ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the UPI Bidder to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Bank(s) to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by an UPI Bidder in accordance with the UPI Circulars to make an ASBA Bid in the Offer.
UPI PIN	Password to authenticate UPI transaction.
Working Day(s)	All days on which commercial banks in Mumbai, India are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI, including the UPI Circulars.

Industry and business-related terms

Term	Description
AISI	American Iron and Steel Institute
APAC	Asia Pacific
ASME	American Society of Mechanical Engineers
AWS	American Welding Society
B2P	Build to Print
BOM	Bill Of Materials
CAGR	Compounded Annual Growth Rate
CMM	Coordinate Measuring Machine
CNC	Computer Numerical Control
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECM	Electrochemical Machining
EDM	Electrical discharge machining
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
GSTE	Ground Support Tooling Equipment
GSE	Ground Support Equipment
HRC	Hardness Rockwell C
IT	Information Technology
KIADB	Karnataka Industrial Areas Development Board
LD	Late Delivery
LPT	Liquid Penetrant Testing
MRO	Maintenance, Repair, And Overhaul
MW	Megawatt
NADCAP	National Aerospace and Defense Contractors Accreditation Program
NAPS	National Apprenticeship Promotion Scheme
NDT	Non-destructive testing
OEM	Original Equipment Manufacturers

Term	Description
PAT	Profit After Tax
PAT Margin	Profit After Tax Margin
PLI	Product Linked Incentive
PVC	Polyvinyl Chloride
PU	Polyurethane
ROCE	Return On Capital Employed
SEZ	Special Economic Zone
SKU	Stock Keeping Units
VMC	Vertical Machining Centre

Conventional Terms/Abbreviations

Term	Description
AGM	Annual general meeting.
"Alternative Investment Funds" or "AIFs"	Alternative investment funds as defined in and registered under the SEBI AIF Regulations.
BSE	BSE Limited.
CAGR	Compounded annual growth rate.
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations.
Category 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 registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations.
Category II FPIs	FPIs registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate identity number.
"Companies Act" or "Companies Act, 2013"	The Companies Act, 2013, read with the rules, regulations, clarifications, circulars, notifications, and amendments notified thereunder.
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any amendments or substitutions thereof, issued from time to time.
CSR	Corporate social responsibility.
Depositories	NSDL and CDSL.
Depositories Act	Depositories Act, 1996, as amended.
DGFT	Directorate General of Foreign Trade
DIN	Director identification number.
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act.
DP ID	Depository Participant's identity number.
DPIIT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.
EGM	Extraordinary general meeting.
EPS	Earnings per share.
FDI	Foreign direct investment.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations notified thereunder, as amended.
"FEMA Non-debt Instruments Rules" or the "FEMA NDI Rules"	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
"Financial Year" or "Fiscal" or "Fiscal Year" or "FY"	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending March 31 of that calendar year.
FPIs	Foreign portfolio investors as defined in and registered with SEBI under the SEBI FPI Regulations.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
FVCI	Foreign venture capital investors (as defined under the SEBI FVCI Regulations) registered with SEBI.
GAAP	Generally accepted accounting principles
GAAR	General anti-avoidance rules.

Term	Description
GDP	Gross domestic product.
"Government of India" or "Central Government" or "GoI"	The Government of India.
GST	Goods and services tax.
HUF(s)	Hindu undivided family(ies).
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards of the International Accounting Standards Board.
Income Tax Act	Income-tax Act, 1961, as amended.
Ind AS	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 and referred to in the Ind AS Rules.
Ind AS 24	Indian Accounting Standard 24 on Related Party Disclosure issued by the MCA.
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015.
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
"INR" or "Rupee" or "₹" or "Rs."	Indian Rupee, the official currency of the Republic of India.
IPO	Initial public offer.
IST	Indian standard time.
IT	Information technology.
MCA	Ministry of Corporate Affairs, Government of India.
MSME	Micro, small and medium enterprises.
Mutual Funds	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A.	Not applicable.
NACH	National Automated Clearing House.
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India.
NAV	Net asset value.
NCLT	National Company Law Tribunal.
NEFT	National electronic fund transfer.
NPCI	National Payments Corporation of India.
"NR" or "Non-resident"	A person resident outside India, as defined under the FEMA, including Eligible NRIs, FPIs and FVCIs registered with the SEBI.
NRI	A person resident outside India, who is a citizen of India.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer.
p.a.	Per annum.
P/E Ratio	Price/earnings ratio.
PAN	Permanent account number allotted under the Income Tax Act.
RBI	The Reserve Bank of India.
Regulation S	Regulation S under the U.S. Securities Act.
RTGS	Real time gross settlement.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SCORES	SEBI complaints redress system.
SEBI ICDR Master Circular	The SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023
SEBI RTA Master Circular	The SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024
SMS	Short message service.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.

Term	Description
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors Regulations, 2000, as amended.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended.
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed pursuant to the SEBI AIF Regulations.
Stock Exchanges	BSE and NSE.
“Systemically Important NBFCs” or “NBFC-SI”	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
TAN	Tax deduction and collection account number.
U. S. Securities Act	United States Securities Act, 1933.
“US$” or “USD” or “US Dollar”	United States Dollar, the official currency of the United States of America.
“USA” or “U.S.” or “US”	United States of America.
U.S. GAAP	United States Generally Accepted Accounting Principles.
VAT	Value added tax.
VCFs	Venture capital funds as defined in and registered with SEBI under the erstwhile SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be.
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
“Year” or “calendar year”	Unless the context otherwise requires, shall mean the 12-month period ending December 31.

OFFER DOCUMENT SUMMARY

The following is a general summary of certain disclosures and terms of the Offer included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including *"**Risk Factors**"*, *"**The Offer**"*, *"**Capital Structure**"*, *"**Objects of the Offer**"*, *"**Industry Overview**"*, *"**Our Business**"*, *"**Restated Consolidated Financial Information**"*, *"**Outstanding Litigation and Material Developments**"*, *"**Offer Procedure**" and "**Description of Equity Shares and Terms of the Articles of Association**"* on pages 28, 71, 87, 101, 141, 180, 242, 326, 356 and 377, respectively.

Unless otherwise indicated, industry and market data used in this section has been derived from the F&S Report exclusively prepared and issued by Frost & Sullivan who were appointed on March 20, 2024 and commissioned by and paid for by us for the purpose of this Offer for the purpose of confirming our understanding of the industry we operate in. A copy of the F&S Report is available on the website of our Company at https://unimechaerospace.com/investorrelations/. Also see, "***Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation***" on page 23.

F&S is an independent agency which has no relationship with our Company, our Subsidiaries, our Promoters, our Directors, Key Managerial Personnel, members of Senior Management or the BRLMs as confirmed pursuant to their consent letter dated August 17, 2024, and also confirms that it does not perceive any conflict of interest in such relationship or interest while issuing the F&S Report. Neither F&S nor its associates hold any Equity Shares of the Company.

Summary of the primary business of our Company

We are a global high precision engineering solutions company specializing in complex manufacturing solutions for the aerospace, defence, energy, and semiconductor industries. With "build to print" and "build to specifications" capabilities, we supply critical components to major OEMs and their licensees worldwide. Our export-oriented business has a diverse product portfolio and strong focus on quality and timely delivery. We are a key link in the global supply chain for global aerospace, defence, semi-conductor and energy OEMs and their licensees for the supply of critical parts like aero tooling, ground support equipment, electro-mechanical sub-assemblies and other precision engineered components. *(Source: F&S Report)*

Summary of the industry in which our Company operates

We are one of the companies which is well positioned in both Aerospace & Defence GSTE and precision component manufacturing in India catering to global OEMs and their approved licensees. The Ground Support Tooling Equipment (GSTE) are used in manufacturing and maintenance of the aircraft. Few growth drivers for GSTE are growth in air travel, increase in aircraft cycles, ageing of aircraft and maintenance cycles. Precision Engineered Components (PEC) are parts designed and manufactured with extremely low tolerances and are used in applications like aircraft engines, turbine components in the energy sector, automotive engines, fuel injection systems and nuclear power plants. *(F&S Report)*

Name of Promoters of our Company

Our Promoters are Anil Kumar P, Ramakrishna Kamojhala, Mani P, Rajanikanth Balaraman and Preetham S V. For details, see "***Promoters and Promoter Group – Our Promoters***" on page 235.

Offer size

The following table summarizes the details of the Offer:

<table>
<tr><th>Offer</th><th colspan="2">Up to [●] Equity Shares of face value of ₹ 5 each aggregating to up to ₹ 5,000.00 million</th></tr>
<tr><td colspan="3">which includes:</td></tr>
<tr><td>Fresh Issue*</td><td colspan="2">Up to [●] Equity Shares of face value of ₹ 5 each aggregating to up to ₹ 2,500.00 million.</td></tr>
<tr><td rowspan="3">Offer for Sale</td><th>Name of the Selling Shareholders</th><th>Equity Shares offered</th></tr>
<tr><td>Ramakrishna Kamojhala</td><td>Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 450.00 million</td></tr>
<tr><td>Mani P</td><td>Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 450.00 million</td></tr>
</table>

Offer	Up to [●] Equity Shares of face value of ₹ 5 each aggregating to up to ₹ 5,000.00 million	
	Rajanikanth Balaraman	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 450.00 million
	Preetham S V	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 300.00 million
	Rasmi Anil Kumar	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 850.00 million
The Offer consists of:		
Employee Reservation Portion[#]	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ [●] million.	
Net Offer	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ [●] million.	

[*] Our Board has authorised the Offer, pursuant to their resolution dated July 3, 2024. Our Shareholders have authorised the Fresh Issue pursuant to a special resolution dated July 3, 2024. Our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to a resolution at its meeting held on August 7, 2024.

[#] The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 0.20 million (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employees not exceeding ₹ 0.50 million (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹ 0.50 million, net of Employee Discount), shall be added to the Net Offer. Our Company, in consultation with the BRLMs, may offer a discount of ₹ [●] per Equity Share *on the Offer Price to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date. For further details, see "**Offer Procedure**" and "**Offer Structure**" on pages 356 and 352 respectively.*

The Offer and Net Offer shall constitute [●] % and [●] % of the fully diluted post-Offer paid up equity share capital of our Company, respectively. For further details of the offer, see "***The Offer***" and "***Offer Structure***" on pages 71 and 352, respectively.

Objects of the Offer

Set forth below are details regarding the use of the Net Proceeds.

(₹ million)

Particulars	Amount[(2)]
Funding of capital expenditure for expansion through purchase of machineries and equipment by our Company;	325.88
Funding working capital requirements of our Company;	252.85
Investment in our Material Subsidiary for:	
a. Funding of capital expenditure for expansion through purchase of machineries and equipment;	439.43
b. funding its working capital requirements; and	447.15
c. repayment / prepayment, in full or part, of certain borrowings;	400.00
General corporate purposes[(1)]	
Net Proceeds[(1)]	[●]

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

For further details, see "***Objects of the Offer***" on page 101.

Aggregate pre-Offer and post-Offer shareholding of our Promoters, our Promoter Group (other than the Promoters) and the Selling Shareholders, as a percentage of the pre-Offer and post-Offer paid up share capital of our Company

Set out below is the aggregate pre-Offer and post Offer shareholding of our Promoters and Promoter Group, as a percentage of the pre-Offer and post-Offer paid-up equity share capital of the Company, respectively.

Sr. No.	Name of the Shareholder	Number of Equity Shares pre-Offer	Percentage of the pre-Offer paid-up Equity Share capital (%)	Number of Equity Shares post-Offer^	Percentage of the post- Offer paid-up Equity Share capital (%)^
Promoters					
1.	Anil Kumar P	13,344,200	27.99	[●]	[●]
2.	Ramakrishna Kamojhala#	7,879,620	16.53	[●]	[●]
3.	Mani P#	7,879,620	16.53	[●]	[●]
4.	Rajanikanth Balaraman#	7,879,620	16.53	[●]	[●]
5.	Preetham S V#	5,253,360	11.02	[●]	[●]
	Total (A)	**42,236,420**	**88.60**	[●]	[●]
Promoter Group (Other than the Promoters)					
1.	Rasmi Anil Kumar#	1,540,180	3.23	[●]	[●]
Total (B)		1,540,180	**3.23**	[●]	[●]
Grand Total (A+B)		**43,776,600**	**91.83**	[●]	[●]

^ *To be updated in the Prospectus prior to filing with the RoC.*
# *Also, a Selling Shareholder.*

Summary of select financial information

Set out below is a summary of the select financial information of the Company as of the dates and for the periods indicated below, derived from the Restated Consolidated Financial Information:

(₹ in million, except per share data)

Particulars(5)	**As at and for the Fiscal ended**		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Equity Share capital	220.03	10.42	10.42
Net worth(1)	1,085.95	488.45	276.58
Revenue from operations	2,087.75	941.66	363.49
Restated total comprehensive profit for the year/period	580.47	211.87	33.93
Earnings per equity share of face value of ₹ 5 each attributable to equity holders			
- Basic(2) computed on the basis of profit attributable to equity holders (in ₹)	13.23	5.19	0.77
- Diluted(2) computed on the basis of profit attributable to equity holders (in ₹)	13.23	5.19	0.77
Net asset value per Equity Share (3) (Basic) (in ₹)	24.71	11.11	6.29
Net asset value per Equity Share (3) (Diluted) (in ₹)	24.71	11.11	6.29
Total Borrowings(4)	288.56	222.59	171.16

(1) *Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.*
(2) *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
(3) *Net asset value per share is calculated by dividing restated equity attributable to owners of our Company by weighted average number of equity shares outstanding during the year/period.*
(4) *Total borrowings consist of current and non-current borrowings.*
(5) *After March 31, 2024, our Company has issued 36,67,090 Equity Shares of face value of ₹ 5 each. For further details, see "**Capital Structure**" on page 87.*

For further details, see "***Other Financial Information***" on page 291.

Auditor qualifications which have not been given effect to in the Restated Consolidated Financial Information

There are no auditor qualifications that have not been given effect to in the Restated Consolidated Financial Information.

Summary of outstanding litigation

Set out below is a summary of outstanding litigation proceedings involving our Company, Subsidiaries, Directors and Promoters, as of the date of this Draft Red Herring Prospectus, as also disclosed in "***Outstanding Litigation and Material Developments***" on page 326, in terms of the SEBI ICDR Regulations and the Materiality Policy.

Category of individuals / entities	Number of criminal proceedings	Number of tax proceedings	Number of statutory or regulatory proceedings	Number of Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigation*	Aggregate amount involved (in ₹ million)#
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	1	Nil	Nil	Nil	0.92
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	1	1	Nil	Nil	28.62
Promoters						
By Promoters	2	Nil	Nil	Nil	Nil	5.57
Against Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Directors (other than Promoters)						
By Directors	1	Nil	Nil	Nil	Nil	Nil
Against Directors	Nil	Nil	Nil	Nil	Nil	Nil

* *Determined in accordance with the Materiality Policy.*
\# *To the extent quantifiable*

For further details, see "***Outstanding Litigation and Material Developments***" on page 326.

Risk factors

The following is a summary of the top ten risk factors in relation to our Company:

1. A significant portion (more than 94%) of our total revenue from operations in each of the last three Fiscals is attributable to the aerospace sector wherein we manufacture products pertaining to aero engine tooling and airframe tooling. Any adverse changes in the aerospace sector could adversely impact our business, results of operations and financial condition.

2. We are dependent on our top ten customers who contribute more than 95% of our total revenue from operations in each of the last three Fiscals and the loss of any of these customers or a significant reduction in purchases by any of them could adversely affect our business, results of operations and financial condition.

3. There have been certain instances of delays in payment of statutory dues by our Company in the past. Any delay in payment of statutory dues by our Company in future, may result in the imposition of penalties and in turn may have an adverse effect on our Company's business, financial condition, results of operation and cash flows.

4. Our principal types of coverage include among others, protection from fire, earthquake, burglary, and fraudulent and dishonest acts committed by an employee or any other person, employee insurance policies such as medical and personal accident insurance policies and general liability insurance. We may not have sufficient insurance coverage to cover our economic losses as well as certain other risks, including those pertaining to litigation and claims by third parties. The occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events not covered by insurance policies, could materially harm our financial condition and future results of operations.

5. A significant part of our operations are conducted through our Subsidiary, Innomech Aerospace Toolings Private Limited ("Innomech"), and we are dependent on the operating income and cash flows generated by Innomech. Any loss or reduction in the business attributable to our subsidiary, or a change in our shareholding in Innomech, could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition on a consolidated basis.

6. Our products might require return and re-work The financial burden associated with managing these returns and re-work, coupled with potential delays in delivery schedules, can adversely affect our operational efficiency and overall financial performance.

7. Our business is dependent on exports and the performance of geographies where we supply our products. More than 90% of our total revenue from operations in each of the last three Fiscals comes from export. Any adverse changes in the conditions affecting the industries in global markets in which our products are supplied, including our key markets such as United States and Germany, can adversely impact our business, cash flows, results of operations and financial condition.

8. There are outstanding legal proceedings involving our Company, Subsidiaries, Directors (other than promoters) and Promoters. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.

9. We may not be able to adequately protect our intellectual property. While our Company has registered three trademarks in India, and may register our other intellectual property in the future, 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.

10. Our Company uses a variety of standard tools and parts in all the manufacturing processing process some of which are imported. There is no certainty that we may not experience volatility in the cost or availability of such standard parts. Our business, financial condition and results of operations could be adversely affected by volatility in the price or availability of standard parts and tools required for our manufacturing processes.

For further details of the risks applicable to us, see "***Risk Factors***" beginning on page 28 to have an informed view before making an investment decision.

Summary of contingent liabilities

As on the date of this DRHP, our Company does not have any contingent liabilities.

Summary of related party transactions

The details of related party transactions entered into by our Company for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, as per Ind AS 24 – Related Party Disclosures, read with SEBI ICDR Regulations and derived from the Restated Consolidated Financial Information are as set out in the table below.

(₹ in million, unless otherwise stated)

S. No.	Name of the related party	Relation	Nature of transactions	For the year ended March 31, 2024	As a % of revenue from operations for the year ended March 31, 2024	For the year ended March 31, 2023	As a % of revenue from operations for the year ended March 31, 2023	For the year ended March 31, 2022	As a % of revenue from operations for the year ended March 31, 2022
1	Anil Kumar P	KMP	Employee benefits	12.80	0.61%	4.98	0.53%	4.91	1.35%
2	Mani Puthan	KMP	Employee benefits	12.80	0.61%	4.98	0.53%	3.13	0.86%
3	Preetham Shimoga	KMP	Employee benefits	12.80	0.61%	4.98	0.53%	3.13	0.86%
4	Rajanikanth Balaraman	KMP	Employee benefits	12.80	0.61%	4.98	0.53%	-	0.00%
5	Ramakrishna Kamojhala	KMP	Employee benefits	17.61	0.84%	10.88	1.16%	4.69	1.29%
6	Rasmi Anil Kumar	Relatives of KMP	Consultancy charges	5.87	0.28%	4.98	0.53%	1.69	0.46%
7	Savitha Mani Puthan	Relatives of KMP	Consultancy charges	6.35	0.30%	4.98	0.53%	0.06	0.02%
8	Shruthi Preetham Shimoga	Relatives of KMP	Consultancy charges	6.14	0.29%	1.98	0.21%	0.06	0.02%
9	Mamatha Rajanikanth Balaraman	Relatives of KMP	Consultancy charges	6.93	0.33%	1.77	0.19%	0.42	0.12%
10	Sathyanarayana	Relatives of KMP	Consultancy charges	-	0.00%	1.98	0.21%	-	0.00%
11	Sulochana Sathyanarayana	Relatives of KMP	Consultancy charges	-	0.00%	1.98	0.21%	-	0.00%
12	Miss. Drakshayini	Relatives of KMP	Consultancy charges	1.23	0.06%	-	0.00%	-	0.00%
13	Anil Kumar P	KMP	Guarantee commission	2.10	0.10%	-	0.00%	-	0.00%
14	Mani Puthan	KMP	Guarantee commission	2.10	0.10%	-	0.00%	-	0.00%
15	Preetham Shimoga	KMP	Guarantee commission	2.10	0.10%	-	0.00%	-	0.00%
16	Rajanikanth Balaraman	KMP	Guarantee commission	2.10	0.10%	-	0.00%	-	0.00%

S. No.	Name of the related party	Relation	Nature of transactions	For the year ended March 31, 2024	As a % of revenue from operations for the year ended March 31, 2024	For the year ended March 31, 2023	As a % of revenue from operations for the year ended March 31, 2023	For the year ended March 31, 2022	As a % of revenue from operations for the year ended March 31, 2022
17	Ramakrishna Kamojhala	KMP	Guarantee commission	2.10	0.10%	-	0.00%	-	0.00%
18	Meenakshi K K	Relatives of KMP	Consultancy charges	-	0.00%	0.92	0.10%	-	0.00%

For details of the related party transactions, see "***Restated Consolidated Financial Information***" on page 242.

Details of all financing arrangements

There have been no financing arrangements whereby our Promoters, the members of the Promoter Group, our Directors and their relatives (as defined in Companies Act, 2013) have financed the purchase of any securities of our Company by any other person, other than in the normal course of business of the relevant financing entity, during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average cost of acquisition for all specified securities transacted over the three years, 18 months and one year preceding the date of this Draft Red Herring Prospectus

Period	Weighted average cost of acquisition per Equity Share (in ₹)*(1) (2)	Cap Price is 'x' times the weighted average cost of acquisition^	Range of acquisition price per Equity Share: lowest price – highest price (in ₹)*
Last one year preceding the date of this Draft Red Herring Prospectus	54.85	[●]	[●]
Last 18 months preceding the date of this Draft Red Herring Prospectus	54.87	[●]	[●]
Last three years preceding the date of this Draft Red Herring Prospectus	54.87	[●]	[●]

* *As certified by Vishnu Daya & Co LLP, Independent Chartered Accountants, with firm registration number 008456S, by way of their certificate dated August 19, 2024.*

^ *To be updated in the Prospectus, upon finalisation of the Price Band*

(1) *Pursuant to a resolution passed by the Board on December 22, 2023 and a resolution passed by the shareholders on December 23, 2023, each equity share of face value of ₹100 each has been split into 20 Equity Shares of face value of ₹ 5 each. Accordingly, the issued, subscribed and paid up capital of the Company was sub-divided from 1,04,774 equity shares of face value of ₹ 100 each to 20,95,480 Equity Shares of face value of ₹ 5 each. The cost for computation of the average price is considered as 'Nil' towards share split.*

(2) *The Board of Directors pursuant to a resolution dated December 26, 2023 and Shareholders pursuant to special resolution dated December 27, 2023, have approved the issuance of 4,19,09,600 bonus Equity Shares in the ratio of twenty Equity Shares for every one existing fully paid up equity share. The average cost of acquisition per equity share has been adjusted for such bonus issuance and cost is considered as 'Nil'. Cost of acquisition for sub-divided shares is considered as 'Nil'.*

Average cost of acquisition of Equity Shares for our Promoters and the Selling Shareholders

The average cost of acquisition of equity shares by our Promoters and the Selling Shareholders as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the Promoters	Number of Equity Shares	Average cost of acquisition per Equity Share* (in ₹)
1.	Anil Kumar P	13,344,200	Nil(3)
2.	Ramakrishna Kamojhala#	7,879,620	0.24(1)(2)
3.	Mani P#	7,879,620	0.24(1)(2)
4.	Rajanikanth Balaraman#	7,879,620	0.24(1)(2)
5.	Preetham S V#	5,253,360	0.24(1)(2)
Sr. No.	**Name of the Selling Shareholder**	**Number of Equity Shares**	**Average cost of acquisition per Equity Share* (in ₹)**
1.	Rasmi Anil Kumar#	1,540,180	2.30(1)(2)(3)

* As certified by Vishnu Daya & Co LLP, Independent Chartered Accountants, with firm registration number 008456S, by way of their certificate dated August 19, 2024.

* Average cost of acquisition per equity share = Total consideration / total number of equity shares transacted

Also, a selling shareholder.

(1) Pursuant to a resolution passed by the Board on December 22, 2023 and a resolution passed by the share holders on December 23, 2023, each equity share of face value of ₹ 100 each has been split into 20 Equity Shares of face value of ₹ 5 each. Accordingly, the issued, subscribed and paid up capital of the Company was sub-divided from 1,04,774 equity shares of face value of ₹ 100 each to 20,95,480 Equity Shares of face value of ₹ 5 each. The cost for computation of the average price is considered as 'Nil' towards share split.

(2) The Board of Directors pursuant to a resolution dated December 26, 2023 and Shareholders pursuant to special resolution dated December 27, 2023, have approved the issuance of 4,19,09,600 bonus Equity Shares in the ratio of twenty Equity Shares for every one existing fully paid up equity share. The average cost of acquisition per equity share has been adjusted for such bonus issuance and cost is considered as 'Nil'.

(3) 1,33,44,200 Equity Shares were gifted by Rasmi Anil Kumar on March 29, 2024.

Weighted average price at which the Equity Shares were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which the Equity Shares have been acquired by our Promoters, in the one year preceding the date of this Draft Red Herring Prospectus is provided below:

Sr. No.	Name of the Promoters	Number of Equity Shares	Average cost of acquisition per Equity Share* (in ₹)
1.	Anil Kumar P	13,344,200	NIL(1)(2)(3)
2.	Ramakrishna Kamojhala#	7,504,400	NIL(1)(2)
3.	Mani P#	7,504,400	NIL(1)(2)
4.	Rajanikanth Balaraman#	7,504,400	NIL(1)(2)
5.	Preetham S V#	5,003,200	NIL(1)(2)
Sr. No.	**Name of the Selling Shareholder**	**Number of Equity Shares**	**Average cost of acquisition per Equity Share* (in ₹)**
6.	Rasmi Anil Kumar	14,175,600	NIL(1)(2)(3)

* As certified by Vishnu Daya & Co LLP, the Independent Chartered Accountants, with firm registration number 008456S, by way of their certificate dated August 19, 2024.

Also, a Selling Shareholder.

(1) Pursuant to a resolution passed by the Board on December 22, 2023 and a resolution passed by the shareholders on December 23, 2023, each equity share of face value of ₹ 100 each has been split into 20 Equity Shares of face value of ₹ 5 each. Accordingly, the issued, subscribed and paid up capital of the Company was sub-divided from 1,04,774 equity shares of face value of ₹ 100 each to 20,95,480 Equity Shares of face value of ₹ 5 each. The cost for computation of the average price is considered as 'Nil' towards share split.

(2) The Board of Directors pursuant to a resolution dated December 26, 2023 and Shareholders pursuant to special resolution dated December 27, 2023, have approved the issuance of 4,19,09,600 bonus Equity Shares in the ratio of twenty Equity Shares for every one existing fully paid up equity share. The average cost of acquisition per equity share has been adjusted for such bonus issuance and cost is considered as 'Nil'. Cost of acquisition for sub-divided shares is considered as 'Nil'.

(3) 1,33,44,200 Equity Shares were gifted by Rasmi Anil Kumar on March 29, 2024.

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

The details of price at which Equity Shares acquired by our Promoters, members of our Promoter Group and the Selling Shareholders in the last three years preceding the date of this Draft Red Herring Prospectus are set out below.

Name of the shareholder	Date of acquisition / allotment of Equity Shares	Number of Equity Shares acquired / allotted*	Face value (₹)	Nature of acquisition / allotment	Acquisition price per Equity Share (in ₹)*
Promoters					
Ramkrishna Kamojhala#	December 28, 2023(2)	7,504,400	5	Bonus issue in the ratio of 20 Equity Share for every 1 Equity Shares held	N.A.
Mani P#	December 28, 2023(2)	7,504,400	5	Bonus issue in the ratio of 20 Equity Share for every 1 Equity Shares held	N.A.

Name of the shareholder	Date of acquisition / allotment of Equity Shares	Number of Equity Shares acquired / allotted*	Face value (₹)	Nature of acquisition / allotment	Acquisition price per Equity Share (in ₹)*
Preetham S V#	December 28, 2023(2)	5,003,200	5	Bonus issue in the ratio of 20 Equity Share for every 1 Equity Shares held	N.A.
Rajanikanth Balaraman#	December 28, 2023(2)	7,504,400	5	Bonus issue in the ratio of 20 Equity Share for every 1 Equity Shares held	N.A.
Anil Kumar P	March 29, 2024(3)	13,344,200	5	Transfer by way of gift of 13,344,200 Equity Share from Rasmi Anil Kumar	N.A.
Promoter Group					
Rasmi Anil Kumar#	December 28, 2023(2)(3)	14,175,600	5	Bonus issue in the ratio of 20 Equity Share for every 1 Equity Shares held	N.A.
Shareholders with rights to nominate director(s)					
ValueQuest SCALE Fund (a scheme of ValueQuest Alternate Investment Trust)	July 19, 2024	1,466,836	5	Preferential issue	681.74
Evolvence India Fund IV Ltd	July 19, 2024	1,466,836	5	Preferential issue	681.74
Steadview Capital Mauritius Limited	July 19, 2024	733,418	5	Preferential issue	681.74

* *As certified by Vishnu Daya & Co LLP, Independent Chartered Accountants, with firm registration number 008456S, by way of their certificate dated August 19, 2024.*

\# *Also, a Selling Shareholder.*

(1) *Pursuant to a resolution passed by the Board on December 22, 2023 and a resolution passed by the shareholders on December 23, 2023, each equity share of face value of ₹ 100 each has been split into 20 Equity Shares of face value of ₹ 5 each. Accordingly, the issued, subscribed and paid up capital of the Company was sub-divided from 1,04,774 equity shares of face value of ₹ 100 each to 20,95,480 Equity Shares of face value of ₹ 5 each.*

(2) *The Board of Directors pursuant to a resolution dated December 26, 2023 and Shareholders pursuant to special resolution dated December 27, 2023, have approved the issuance of 4,19,09,600 bonus Equity Shares in the ratio of twenty Equity Shares for every one existing fully paid up equity share. The average cost of acquisition per equity share has been adjusted for such bonus issuance and cost is considered as 'Nil'.*

(3) *1,33,44,200 Equity Shares were gifted by Rasmi Anil Kumar on March 29, 2024.*

Further, except as disclosed above, as on the date of this Draft Red Herring Prospectus, our Company does not have any shareholders, having nominee director or other special rights.

Any issuance of equity shares in the last one year for consideration other than cash or bonus issue

Except as disclosed below, our Company has not undertaken any issuance of equity shares for consideration other than cash or bonus issue in the last one year preceding the date of this Draft Red Herring Prospectus:

Date of allotment	Number of Equity Shares allotted	Name of allottees	Face value (₹)	Reasons for allotment	Benefits if any that have accrued to the Company
December 28, 2023	41,909,600	Allotment of 7,504,400 Equity Shares to Ramakrishna Kamojhala, 7,504,400 Equity Shares to Mani P, 5,003,200 Equity Shares to Preetham S V 14,175,600 Equity Shares to Rasmi Anil Kumar, 7,504,400 Equity Shares to	5	Bonus issue in the ratio of 20 Equity Share for every 1 Equity Shares held	-

Date of allotment	Number of Equity Shares allotted	Name of allottees	Face value (₹)	Reasons for allotment	Benefits if any that have accrued to the Company
		Rajanikanth Balaraman, 108,800 Equity Shares to Shakunthala B. and 108,800 Equity Shares to Shankar Javaregowda			

For further details, see "***Capital Structure—Notes to Capital Structure - Equity Share Capital History of our Company***" on page 88.

Any split / consolidation of equity shares in the last one year

Except for the sub-division of equity shares of face value of ₹ 100 each into face value of ₹ 5 each authorised by our Board pursuant to its resolution dated December 22, 2023, and by our Shareholders' pursuant to their resolution dated December 23, 2023 as described in "***Capital Structure - Equity share capital history of our Company***" on page 88, our Company has not undertaken any split / consolidation of its Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

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

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

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

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

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

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

Financial Data

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 stated otherwise, all references in this Draft Red Herring Prospectus to the terms Fiscal or Financial Year or FY unless stated otherwise, are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless stated otherwise or where the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus is derived from the Restated Consolidated Financial Information.

The Restated Consolidated Financial Information comprises Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 and Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Statement of Changes in Equity, Restated Consolidated Statement of Cash Flows along with the Statement of Material Accounting Policies and other explanatory information for years ended March 31, 2024, March 31, 2023 and March 31, 2022.

For further information, see "***Restated Consolidated Financial Information***" on page 242.

There are significant differences between the Ind AS, the International Financial Reporting Standards issued by the International Accounting Standard Board (the "**IFRS**") and the Generally Accepted Accounting Principles in the United States of America (the "**U.S. GAAP**"). Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with accounting standards in India, the Ind AS, the Companies Act 2013 and the SEBI ICDR Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify or identify the impact of the differences between the financial data (prepared under Ind AS and IFRS/U.S. GAAP), nor have we provided a reconciliation thereof. We urge you to consult your own advisors regarding such differences and their impact on our financial data included in this Draft Red Herring Prospectus. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see *"**Risk Factors – 59. Our Company has prepared financial statements under Indian Accounting Standards. Significant differences exist between Indian Accounting Standards and other accounting principles.**"* on page 63.

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

Unless the context otherwise indicates, any percentage amounts, or ratios (excluding certain operational metrics), relating to the financial information of our Company as set forth in "***Offer Document Summary***", "***Risk Factors***", "***Our Business***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and "***Other Financial Information***" on pages 14, 28, 180 and 298, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Consolidated Financial Information.

Non-GAAP Financial Measures

Certain non-GAAP financial measures relating to our financial performance such as, EBITDA, EBITDA Margin, Profit Margin, Return on Capital Employed, Return on Equity and Asset Turnover Ratio (together, "**Non-GAAP Measures**"), and certain other industry metrics and financial parameters have been included in this Draft Red Herring Prospectus that are a supplemental measure of our performance and liquidity and not required by, or presented in accordance with Ind AS. We compute and disclose such financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance for investors and other users. These non-GAAP financial measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS. Such supplemental financial and operational information should not be considered in isolation or as a substitute for an analysis of our Restated Consolidated Financial Information disclosed elsewhere in this Draft Red Herring Prospectus. For further details see "***Risk Factors – 61. This Draft Red Herring Prospectus contains certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the manufacturing industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other manufacturing companies***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and "***Other Financial Information***" on pages 63, 298 and 291.

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; and
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.
- "GBP" are to Great Britan Pound, the official currency of the United Kingdom.
- "EUR" are to the Euro, the official currency of the European Union.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency 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 dates indicated, information with respect to the exchange rate between the Rupee and other currencies:

(Amount in ₹)

Currency	As at		
	March 31, 2024*	March 31, 2023*	March 31, 2022*
1 USD	83.37	82.22	75.81
1 GBP	105.23	101.36	99.78
1 EUR	89.96	89.11	84.02

Source: www.fbil.org.in
Note: Exchange rate is rounded off to two decimal point
**In case March 31 or any date of any of the respective years is a public holiday, the previous working day, not being a public holiday, has been considered.*

Please note that the above exchange rates have been provided for indicative purposes only and the amounts reflected in our Restated Consolidated Financial Information may not have been converted using any of the above-mentioned exchange rates.

Industry and Market Data

Unless stated otherwise, information pertaining to the industry in which our Company operates in and market data used in this Draft Red Herring Prospectus has been obtained or derived from the "Overview of Global Tooling & PEC Market" ("**F&S Report**") and publicly available information as well as other industry publications and sources.

Frost and Sullivan (India) Private Limited ("**F&S**") is an independent agency which has no relationship with our Company, our Subsidiaries, our Promoters, our Directors, Key Managerial Personnel, members of Senior Management or the BRLMs as confirmed pursuant to their consent letter dated August 17, 2024. The F&S Report has been commissioned by and paid for by our Company pursuant to an engagement letter with F&S dated March 20, 2024, exclusively for the purposes of confirming our understanding of the industry in which our Company operates, in connection with the Offer. The F&S Report is available on the website of our Company at https://unimechaerospace.com/investorrelations/ until the Bid/ Offer Closing Date. F&S has, through its letter dated August 17, 2024 accorded its consent to use the F&S Report in this Draft Red Herring Prospectus.

This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited ("Frost & Sullivan") and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

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

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

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

Unless otherwise indicated, industry and market data used throughout this Draft Red Herring Prospectus has been obtained or derived from the F&S Report has been commissioned by our Company for an agreed fee. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, 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 "***Risk Factors – 60. This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, Frost & Sullivan, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks***", on page 63.

In accordance with the SEBI ICDR Regulations, "***Basis for Offer Price***" on page 121 includes information relating to our peer group companies. The data included therein includes excerpts from the F&S Report. There are no parts, data or information (which may be relevant for the proposed Offer), that have been left out or changed in any manner. Data from these sources may also not be comparable. Such industry and third-party related information have been derived from publicly available sources. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical fact and may be described as "forward-looking statements". These forward-looking statements include statements which can generally be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "continue", "can", "could", "expect", "estimate", "intend", "may", "likely", "objective", "plan", "goal", "project", "propose", "shall", "will continue", "seek to", "will achieve", "will likely", "will pursue" or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company and statements regarding our expected financial conditions, results of operations, business plans and prospects are also forward-looking statements. These forward-looking statements include statements as to our business strategy, plans, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Red Herring Prospectus that are not historical facts. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements are based on our current plans, estimates, presumptions and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries we cater to and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence.

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

- A significant portion (more than 94%) of our total revenue from operations in each of the last three Fiscals is attributable to the aerospace sector wherein we manufacture products pertaining to aero engine tooling and airframe tooling. Any adverse changes in the aerospace sector could adversely impact our business, results of operations and financial condition.

- We are dependent on our top ten customers who contribute more than 95% of our total revenue from operations in each of the last three Fiscals and the loss of any of these customers or a significant reduction in purchases by any of them could adversely affect our business, results of operations and financial condition.

- There have been certain instances of delays in payment of statutory dues by our Company in the past. Any delay in payment of statutory dues by our Company in future, may result in the imposition of penalties and in turn may have an adverse effect on our Company's business, financial condition, results of operation and cash flows.

- Our principal types of coverage include among others, protection from fire, earthquake, burglary, and fraudulent and dishonest acts committed by an employee or any other person, employee insurance policies such as medical and personal accident insurance policies and general liability insurance. We may not have sufficient insurance coverage to cover our economic losses as well as certain other risks, including those pertaining to litigation and claims by third parties. The occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events not covered by insurance policies, could materially harm our financial condition and future results of operations.

- A significant part of our operations are conducted through our Subsidiary, Innomech Aerospace Toolings Private Limited ("**Innomech**"), and we are dependent on the operating income and cash flows generated by Innomech. Any loss or reduction in the business attributable to our subsidiary, or a change in our shareholding in Innomech, could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition on a consolidated basis.

- Our products might require return and re-work The financial burden associated with managing these returns and re-work, coupled with potential delays in delivery schedules, can adversely affect our operational efficiency and overall financial performance.

- Our business is dependent on exports and the performance of geographies where we supply our products. More than 90% of our total revenue from operations in each of the last three Fiscals comes from export. Any adverse changes in the conditions affecting the industries in global markets in which our products are supplied, including our key markets such as United States and Germany, can adversely impact our business, cash flows, results of operations and financial condition.

For a further discussion of factors that could cause our actual results to differ from expectations, see "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" on pages 28, 180 and 298, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Neither our Company, our Directors, our Promoters, the Selling Shareholders, the BRLMs nor the Syndicate or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company will ensure that Bidders in India are informed of material developments pertaining to our Company from the date of the Red Herring Prospectus in relation to the statements and undertakings made by our Company and the Selling Shareholders, in respect of the Offered Shares in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

In this regard, the Selling Shareholders shall, severally and not jointly, ensure that our Company and BRLMs are informed of material developments in relation to the statements and undertakings specifically confirmed or undertaken by the Selling Shareholders with respect to their Offered Shares in the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

SECTION II – RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described in this section are those that we consider to be the most significant to our business, results of operations, cash flows and financial condition as of the date of this Draft Red Herring Prospectus. To obtain a more detailed understanding of our business and operations, please read this section in conjunction with, "**Industry Overview**", "**Our Business**", "**Key Regulations and Policies in India**", "**Restated Consolidated Financial Information**", "**Management's Discussion and Analysis of Financial Condition and Result of Operations**" and "**Outstanding Litigation and Material Developments**" on pages 141, 180, 202, 242, 298 and 326, respectively as well as other financial and statistical information contained in this Draft Red Herring Prospectus.*

Unless the context otherwise requires, in this section, references to "we", "us" or "our" refers to our Company and our Subsidiaries on a consolidated basis. Unless the context otherwise requires, references to our "Company" refers to Unimech Aerospace and Manufacturing Limited on a standalone basis.

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties are not the only risks relevant to us, or the Equity Shares or the industry in which we currently operate or propose to operate. In addition, the risks set out in this section are not exhaustive, and if any or a combination of any of the following risks actually occur, or if any of the risks that are not currently known or are currently deemed to be not relevant or material now, actually occur or become material in the future, our business, prospects, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline, and you may lose all, or part of your investment. Furthermore, some events may be material collectively rather than individually and some risks may have an impact which is qualitative in nature but cannot be quantified. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.

Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. You should pay particular attention to the fact that we are incorporated under the laws of India and are subject to a legal and regulatory environment that may be different from that in other countries.

Our Financial Year or Fiscal ends on March 31 of each year, and references to a particular Financial Year or Fiscal are to the twelve-month period ended March 31 of that year. Unless otherwise stated or the context otherwise requires, the financial information as of and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 included in this section has been derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus on page 242. We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from the Restated Consolidated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions.

Unless otherwise indicated, industry and market data used in this Draft Red Herring Prospectus has been extracted or derived from a report titled "Overview of Global Tooling & PEC Market" *dated* August 17, 2024, prepared by Frost & Sullivan (India) Private Limited *(the "**F&S Report**"). We commissioned and paid for the F&S Report pursuant to an engagement letter dated March 20, 2024, for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. The F&S Report will be available on the website of our Company https://unimechaerospace.com/investorrelations/. The data included in this section includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year. See "**Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data**", "**- Internal Risk Factors – 60. This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, Frost & Sullivan, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks.**" and "**Industry Overview**" on pages 23, 63 and 141, respectively.*

Certain names of our top 10 customers and top 10 suppliers are not mentioned in this Draft Red Herring Prospectus due to confidentiality reasons and non-receipt of consents.

In making an investment decision, you must rely on your own examination of us and the terms of the Offer, including the merits and the risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer.

Internal risk factors

1. ***A significant portion (more than 94%) of our total revenue from operations in each of the last three Fiscals is attributable to the aerospace sector wherein we manufacture products pertaining to aero engine tooling and airframe tooling. Any adverse changes in the aerospace sector could adversely impact our business, results of operations and financial condition.***

Our business has been and continues to be concentrated on manufacturing products pertaining to aero engine tooling and airframe tooling and is therefore heavily dependent on the performance of the aerospace sector. The table below sets forth the contribution from the aerospace sector to our total revenue from operations for the Fiscals stated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations
Revenue from aerospace sector	2,074.12	99.35%	891.79	94.70%	348.38	95.84%

While our revenue from the aerospace sector has increased over the last three Fiscals, there can be no assurance that we will not be affected by any significant events impacting the aerospace sector in the future. As the aerospace sector is subject to changes as per regulatory or industry requirements, or due to competitive technologies, our ability to continue to generate consistent volume of business from the aerospace sector also depends on our ability to adopt to competitive technologies and to develop and introduce new products in a timely manner. However, there can be no assurance that we will be able to secure the necessary technological knowledge or capabilities which will allow us to expand our product portfolio in a timely manner or at all, or that any products we develop and introduce will achieve market acceptance as anticipated. Our failure to secure the necessary technological knowledge or capabilities can have an adverse impact our business, results of operations and financial condition.

Further, the performance of the aerospace sector is also dependent on numerous socio-economic factors, including demographic trends and preferences, changes in government policies, economic conditions, availability of finance and interest rates. For further details, please see "***Our Business***" on page 180. Although certain factors, such as general macroeconomic and consumer trends, have a direct impact on demand for airframe and aero engine tooling, others can have indirect consequences that are difficult to predict

2. ***We are dependent on our top 10 customers who contribute more than 95% of our total revenue from operations in each of the last three Fiscals and the loss of any of these customers or a significant reduction in purchases by any of them could adversely affect our business, results of operations and financial condition.***

We derived more than 95% of our total revenue from operations from the sale of products to our top 10 customers in Fiscal 2024, Fiscal 2023, and Fiscal 2022. The table below sets forth the revenue derived from our top 3 customers, top 5 customers and top 10 customers during the respective financial years:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations
Top 3 customers	1,964.32	94.09%	840.26	89.23%	262.24	72.15%
Top 5 customers	2,021.01	96.80%	884.00	93.88%	323.39	88.97%
Top 10 customers	2,076.25	99.45%	923.85	98.11%	351.39	96.67%

* *Our top 10 customers include HYDRO Systems GmbH & Co. Kg, Nuclear Power Corporation of India Limited and Rhinestahl Corporation. These customers may not be our top 10 customers in each of the above Fiscals and the disclosure of names has only been made for such customers who have consented to being named. Remaining names from our top 10 customers are not mentioned in this Draft Red Herring Prospectus due to confidentiality reasons and non-receipt of consents.*

We depend and expect to continue to depend on our top 10 customers for a substantial portion of our total revenue from operations. The loss of any of our top 10 customers (in particular our largest customer) for any reason (including due to loss of, or failure of our customers to win orders / contracts from their customers to renew our existing arrangements with our customers; limitation to meet any change in quality specification, change in technology; disputes with a customer; adverse changes in the financial condition of our customers, such as possible bankruptcy or liquidation or other financial hardship) could have a material adverse effect on our business, results of operations and financial condition.

Further, we rely on purchase orders and delivery schedules issued by our customers from time to time, that set out the price per unit, volume and other terms of sales for our products. However, such purchase orders/delivery schedules may be cancelled unilaterally with or without cause and should such cancellation take place, it may have an adverse impact on our revenue and results of operations. Set out below is the number and percentage of order cancellations from our top 10 customers during the respective financial years:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total order from top 10 customers	3,157	1,766	1,672
No. of orders cancelled	21	39	52
No. of orders cancelled as a % of total orders	0.67%	2.21%	3.11%

While the percentage of orders cancelled is less than 3% in each of the past three Fiscals, there can be no assurance this trend will continue, and future cancellations orders might have an impact on our results of operations and business in the future. Furthermore, there is no assurance that our top 10 customers will continue to source products from us at volumes or rates consistent with, and commensurate to, the amount of business received from them historically, or at all. While our top 10 customers have not terminated their relationship with us or reduced the demand for our products in the last three Fiscals, any decrease in the demand for our products from our top 10 customers, or a termination of our arrangements altogether, would adversely impact our results of operations, financial condition and cash flow.

3. ***There have been certain instances of delays in payment of statutory dues by our Company and our Material Subsidiary in the past. Any delay in payment of statutory dues by our Company and our Material Subsidiary in future, may result in the imposition of penalties and in turn may have an adverse effect on our Company's business, financial condition, results of operation and cash flows.***

Our Company and our Material Subsidiary are required to pay certain statutory dues including provident fund contributions and employee state insurance contributions under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948, respectively, and professional taxes. The table below sets forth the details of the delays in statutory dues payable by our Company and our Material Subsidiary in relation to its employees for the periods indicated below:

By our Company:

Particulars	Period to which it pertains	Amount (₹)	No. of employees for the month of delay	Delay (in days)
Delay in payment of Provident Fund	April-2023	2,80,250	78	2

Sl no	Particulars	Month	Amount in ₹	Delay (in days)
1	Goods and Service Tax (GST)	August-2021	8,070	30
2	Goods and Service Tax (GST)	March-2022	9,362	31
3	Goods and Service Tax (GST)	April-2022	364	4
4	Goods and Service Tax (GST)	March-2023	43,940	21
5	Tax deducted at source (TDS)	March-2022	661,929	30
6	Tax deducted at source (TDS)	April-2023	391,149	24

By our Material Subsidiary:

Sl no	Particulars	Month	Amount in ₹	Delay (in days)
1	Tax deducted at source (TDS)	April-2021	92,912	914
2	Tax deducted at source (TDS)	May-2021	92,296	883
3	Tax deducted at source (TDS)	June-2021	86,506	853
4	Tax deducted at source (TDS)	July-2021	101,270	822
5	Tax deducted at source (TDS)	August-2021	110,870	791
6	Tax deducted at source (TDS)	September-2021	96,394	761
7	Tax deducted at source (TDS)	October-2021	91,164	730
8	Tax deducted at source (TDS)	November-2021	91,264	700
9	Tax deducted at source (TDS)	December-2021	80,764	669
10	Tax deducted at source (TDS)	January-2022	63,864	638
11	Tax deducted at source (TDS)	February-2022	52,364	610
12	Tax deducted at source (TDS)	March-2022	54,956	556
13	Tax deducted at source (TDS)	March-2022	400,000	99

* *The delays pertain to deduction of TDS and not delay in remittance of TDS to the Government Authorities. TDS dues were remitted upon deduction as per the requirements under the Income Tax Act, 1961.*

In the past, there have been instances of delays in the remittance towards the payment of these statutory dues including employee provident fund contributions. While we have addressed these issues, we cannot guarantee that similar delays or delays in payment of other statutory dues will not occur in the future. Such delays could result in penalties, interest charges, or other legal actions by the relevant authorities, which could adversely impact our financial performance and reputation.

4. ***Our principal types of coverage include among others, protection from fire, earthquake, burglary, and fraudulent and dishonest acts committed by an employee or any other person, employee insurance policies such as medical and personal accident insurance policies and general liability insurance. We may not have sufficient insurance coverage to cover our economic losses as well as certain other risks, including those pertaining to litigation and claims by third parties. The occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events not covered by insurance policies, could materially harm our financial condition and future results of operations.***

Our business involves many risks and hazards which may adversely affect our profitability, including breakdowns, failure or substandard performance of equipment, third-party liability claims, labour disturbances, employee fraud and infrastructure failure. Our principal types of coverage include among others, protection from fire, earthquake, burglary, and fraudulent and dishonest acts committed by an employee or any other person, employee insurance policies such as medical and personal accident insurance policies and general liability insurance. See "***Our Business – Insurance***" on page 199 for further details on our insurance coverage. Our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business. While none of our insurance policies are due for renewal as of date, we cannot assure you that such renewals in the future (on expiry) will be granted in a timely manner, at acceptable cost or at all.

Additionally, in the past, we may not have maintained adequate coverage of insurance as required by certain customers, in the purchase orders given by them. Further, we typically do not maintain insurance coverage for goods in transit during domestic sales. Furthermore, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. We may also be required to bear increased premiums for our insurance to provide coverage for pandemics such as COVID-19. The table below sets forth certain information on our insurance coverage as at the March 31, 2024:

(*₹ in million*)

Particulars^	**Amount of asset as at March 31, 2024**	**% of total assets as of March 31, 2024***	**Total insurance coverage as of March 31, 2024**	**% of insurance coverage as of March 31, 2024**
Insured Assets	625.30	95.51%	587.18	93.90%
Uninsured Assets	29.42	4.49%	-	0.00%
Total	**654.72**	**100.00%**	**587.18**	**93.90%**

* *based on Restated Consolidated Financial Information.*

^ *Sum of property, plant and equipment (net block), capital work in progress, intangibles (net block) and investment property (buildings net block, inventory).*

While in past our insurance claims have not exceeded our insurance coverage and we have not recognized any losses in the last three Fiscals due to partial or total rejection of our claims by our insurers, there can be no assurance that claims in the future will continue to be covered or accepted in full by our insurance policies. The occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events not covered by insurance policies, could materially harm our financial condition and future results of operations. There can be no assurance that any claims filed will be honored fully or timely under our insurance policies. Also, our financial condition may be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage. Any such uninsured losses or liabilities could result in an adverse effect on our business operations, financial condition, results of operations and cash flows.

5. ***A significant part of our operations are conducted through our Subsidiary, Innomech Aerospace Toolings Private Limited ("Innomech"), and we are dependent on the operating income and cash flows generated by Innomech. Any loss or reduction in the business attributable to our subsidiary, or a change in our shareholding in Innomech, could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition on a consolidated basis.***

We conduct a substantial part of our operations through our Subsidiary, Innomech. Set out below are the details of our revenue from operations which is attributable to Innomech, for the respective financial periods indicated:

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Total revenue of Innomech (₹ million)	**% of our total consolidated revenue from operations**	**Total revenue of Innomech (₹ million)**	**% of our total consolidated revenue from operations**	**Total revenue of Innomech (₹ million)**	**% of our total consolidated revenue from operations**
Revenue from operations	1865.33	89.35	692.16	73.50	247.38	68.06

Any decrease in revenues from operations attributable to Innomech will result in a consequent decrease in our consolidated revenue from operations and impact our profitability. As of the date of this Draft Red Herring Prospectus, Innomech is a wholly owned subsidiary of our Company, and our Company holds 100.00% of its share capital. There can be no assurance that we will continue to retain this shareholding. Any dissociation of Innomech or any dilution in the shareholding, including loss of control, could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

6. ***Our products might require return and re-work The financial burden associated with managing these returns and re-work, coupled with potential delays in delivery schedules, can adversely affect our operational efficiency and overall financial performance.***

Our products may necessitate returns and re-work, which could have a direct and substantial impact on our revenue from operations, reputation, and profitability. The occurrence of defects, malfunctions, or deviations from customer specifications may require us to accept product returns or undertake re-work, resulting in additional costs and diminished revenue. Such issues may arise due to various factors, including but not limited to supply chain disruptions, manufacturing errors, or lapses in quality control. The financial burden associated with managing these returns and re-work, coupled with potential delays in delivery schedules, can adversely affect our operational efficiency and overall financial performance. In the past, there have been instances of return of our products due to failure to meet the specifications provided by the customers and we have been required to re-work on the said product. For example, we experienced additional costs of ₹ 1.21 million, ₹ 1.98 million and ₹ 1.46 million, and during Fiscals 2022, 2023 and 2024 due to re-work required to be done on our products which were sold. While these aggregated to 0.33%, 0.21% and 0.07% of our total revenue from operations on a consolidated basis for the respective periods, there cannot be any assurance that the quantum will not be substantial in the future. Delays in delivery can result in contractual penalties or damages and to mitigate such risks, our Company has made provisions for liquidated damages for the respective financial periods indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of total revenue from operations
Liquidated damages	17.25	0.83%	8.62	0.92%	1.52	0.42%

Furthermore, the necessity for returns and re-work could significantly tarnish our reputation and erode customer trust, thereby weakening our market position. Persistent issues with product quality or performance could lead to negative customer perceptions, adversely impacting future sales and customer loyalty. The financial repercussion of handling returns and re-work, including increased operational expenses and reduced profit margins, can place considerable strain on our resources. As a manufacturing entity, adherence to stringent quality standards is imperative, and any failure to maintain these standards could materially and adversely affect our business, financial condition, and results of operations.

7. ***Our business is dependent on exports and the performance of geographies where we supply our products. More than 90% of our total revenue from operations in each of the last three Fiscals came from export. Any adverse changes in the conditions affecting the industries in global markets in which our products are supplied, including our key markets such as United States and Germany, can adversely impact our business, cash flows, results of operations and financial condition.***

We are primarily an export oriented business and more than 90% of our total revenue from operations in each of the last three Fiscals came from export. Our primary export markets include the United States of America, Germany and United Kingdom. Our export business is dependent on the performance of our customers who operate in industries such as aerospace, defence, semi-conductors and energy. The following table sets out our revenue from operations by geographical spread for the financial years / periods indicated:

(₹ in million, except percentages)

Geography	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations
India	49.26	2.36	45.21	4.80	32.48	8.93
United States	1,924.57	92.19	724.18	76.91	277.64	76.38
Germany	113.41	5.43	172.18	18.28	51.50	14.17
United Kingdom	Nil	Nil	Nil	Nil	0.91	0.25
Others	0.50	0.02	0.09	0.01	0.96	0.27
Total	**2087.75**	**100.00**	**941.66**	**100.00**	**363.49**	**100.00**

We are therefore exposed to fluctuations in the performance of the industries where we supply our products, in the aforementioned geographies. The sectoral markets where we have presence in India may perform differently and be subject to market and regulatory developments that are dissimilar to the markets in other parts of the world. We cannot assure you that the demand for our products in India will grow, or will not decrease, in the future.

Further, the industries in which our customers operate, have been characterized historically by significant periodic fluctuations in overall demand of end goods, resulting in corresponding fluctuations in demand for our products. The length and timing of any cycle in industries cannot be predicted with certainty. We cannot predict when our customers will decide to either build or reduce inventory levels or whether new inventory levels will approximate historical inventory levels. Production and sales of the end goods for which we supply products are affected by, among other things, a variety of other factors that are beyond our control, including changes in government policies, changes in consumer demand, product mix shifts in preferences, fuel prices, vehicle and aircraft electrification, demographic trends, employment and income levels and interest rates, disruptions in the supply chain, vehicle and aircraft age, labour relations, regulatory requirements, credit availability and cost of credit, interest rates and general economic and industry conditions. In the past, we have also experienced decline in sales during scheduled shutdowns or shutdowns resulting from unforeseen events, including shutdown of facilities of our customers. During Global Pandemic our revenues were adversely affected.

Reduced demand in the industries we currently supply, continued uncertainty and other unexpected fluctuations or change in regulations, customs, taxes or other barriers or restrictions adversely affecting our export markets, could have a material adverse impact on our business, cash flows, results of operations and financial condition.

In addition, any regulatory changes in relation to Import-Export norms including but not limited to, imposition of high custom duties by exporting countries, carbon / green energy tax, offset programs etc. may significantly impact our business, cash flows, results of operations and financial condition.

8. ***There are outstanding legal proceedings involving our Company, Subsidiaries, Directors (other than promoters) and Promoters. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.***

There are certain outstanding legal proceedings involving the Directors of our Company, which are pending at varying levels of adjudication at different forums. Such proceedings could divert management time and attention and consume financial resources in their defence or prosecution. The summary of outstanding matters set out below includes details of outstanding criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving our Company, Subsidiaries, Directors and Promoters.

Category of individuals / entities	Number of criminal proceedings	Number of tax proceedings	Number of statutory or regulatory proceedings	Number of Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigation*	Aggregate amount involved (in ₹ million)#
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	1	Nil	Nil	Nil	0.92
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	1	1	Nil	Nil	28.62
Promoters						
By Promoters	2	Nil	Nil	Nil	Nil	5.57
Against Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Directors (other than Promoters)						
By Directors	1	Nil	Nil	Nil	Nil	Nil
Against Directors	Nil	Nil	Nil	Nil	Nil	Nil

**Determined in accordance with the Materiality Policy*
**To the extent quantifiable*

We cannot assure you that any of these matters will be settled in favour of our Directors or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings may have an adverse effect on our business, financial position, prospects, results of operations, and our reputation. For further details, see "***Outstanding Litigation and Material Developments***" on page 326.

9. ***We may not be able to adequately protect our intellectual property. While our Company has registered three trademarks in India, and may register our other intellectual property in the future, 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.***

Our success and ability to compete depends, in part, on our ability to protect our intellectual property and proprietary rights and we generally rely on patent and trademark laws, and confidentiality or license agreements with our employees, consultants, customers and other third parties, and generally limit access to and distribution of our proprietary information, in order to protect our intellectual property rights and maintain our competitive position.

Our Company and our Material Subsidiary has filed an application for the registration of one trademark, respectively, under Class 12 of the Trademarks Act, 1999, which are pending registration. Until our application is accepted, any unauthorized or inappropriate use of this trademarks by others, in their corporate names or service offerings or otherwise could harm our brand image, competitive advantages and business, and dilute or harm our reputation and brand recognition.

While our Company has registered three trademarks in India, and may register our other intellectual property in the future, 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. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run. Additionally, our current lack of trademark registrations in foreign markets exposes us to the risk of intellectual property infringement in the foreign jurisdictions where we export, such as Europe and USA. Similarly, if anyone in such markets procure registration of trade marks similar to us may put our business at risk. Unauthorized use of our trademarks could damage our brand reputation and potentially lead to financial losses in those jurisdictions. While there have been no instances in the past three Fiscals, the illegal use or impersonation of our trademarks or logos by third parties or any negative publicity about our brand(s) could affect our reputation which, in turn, could affect our ability to attract and/or retain customers, which may adversely affect our business and results of operations.

For further details with respect to the intellectual property registered in the name of our Company and applications made by our Material Subsidiary, please see "***Government and Other Approvals – Intellectual property related approvals***" beginning on page 333.

10. ***Our Company uses a variety of standard tools and parts in all the manufacturing processes some of which are imported. There is no certainty that we may not experience volatility in the cost or availability of such standard parts. Our business, financial condition and results of operations could be adversely affected by volatility in the price or availability of standard parts and tools required for our manufacturing processes.***

Our Company uses a variety of standard tools and parts in all the manufacturing process such as hoist ring, hydraulic cylinders, lifting slings & shackles, ball lock pins, key inserts, knobs & handles, bushes, bearings, hydraulic fittings, casters, screws & nuts and gear box, etc. There is no certainty that we may not experience volatility in the cost or availability of such standard parts. Although prices have fluctuated at various times, but we have consistently procured the necessary materials at prevailing rates. Typically, our Company absorbs any additional costs rather than pass them on to our customers. Even with this volatility and despite these measures, there has been no significant impact on our financial position or business margins during the historical period.

Material	Fiscal 2024	Fiscal 2023	Fiscal 2022
Al 6061 T6	₹ 415.00	₹ 400.00	₹ 450.00
SS 17-4ph	₹ 380.00	₹ 370.00	₹ 450.00
SS 304	₹ 300.00	₹ 280.00	₹ 340.00
Delrin	₹ 500.00	₹ 450.00	₹ 600.00
Mild Steel	₹ 87.00	₹ 92.00	₹ 100.00

Also, certain standard parts which are widely used in our manufacturing processes are imported, with limited number of suppliers across the world. For more information on our suppliers, please refer to "***Risk Factors – Internal Risks–22. 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 of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations and financial condition. We depend on third-party suppliers of raw materials and do not have firm commitments for supply or exclusive arrangements with any of our suppliers and are required to pay advances from time to time. The absence of long-term contracts or exclusive arrangements and non-recovery of advances, exposes us to potential supply chain disruptions which could significantly impact our production capacity, leading to delays in order fulfilment and potential loss of revenue.***" on page 45. While we have consistently managed to procure the necessary raw materials, there have been occasional delays in obtaining standard parts and materials. These delays have primarily resulted from extended price negotiations with vendors, challenges in identifying the right supplier, and global supply chain or transportation-related issues. While there have been no stoppage of the supply and import of these standard parts in the past, we cannot assure that there will be continuous supply of these standard parts in the future. In case of stoppage or unavailability of these standard tools in the future, we may be forced to obtain the same from other suppliers, who maybe more expensive, thereby increasing our cost of production consistently.

Further, our practice of absorbing minor cost fluctuations without adjusting our product pricing exposes us to the risk of margin erosion. By consistently absorbing increased costs rather than passing them on to our customers, we may compromise on our profitability over time. Significant, unforeseen cost increases could erode profit margins, impacting overall financial performance. This approach also creates a risk of customer expectation management, where customers may come to anticipate that we will indefinitely absorb cost increases, leading to potential pricing pressures in the future. Additionally, this practice may hinder our ability to invest in research and development, technology, or other growth initiatives due to reduced profitability.

11. ***We are entitled to certain tax benefits at our manufacturing facility at Bengaluru Aerospace SEZ park (Karnataka). We cannot assure you that we will continue to be eligible to receive such tax benefits in the future. Any inability to avail such tax benefits could have an adverse effect on our growth strategy, and financial performance.***

Our manufacturing facility in Unit II is located on industrial land allotted by the Karnataka Industrial Areas Development Board ("**KIADB**") to our Material Subsidiary at Bengaluru Aerospace SEZ park (Karnataka) in November 2019.

The Unit II is located in an SEZ, provides various tax benefits for exports, such as exemptions from additional depreciation, duty free imports inward supply of goods without levy of GST, exemption from state taxes and electricity duty. In order for us to be eligible for such tax benefits, we have to comply with certain attendant conditions prescribed under the SEZ Act, the Income-Tax Act, 1961, Customs Act, 1962 and the GST Act. We cannot assure you that we will continue to be eligible to receive such tax benefits in the future. Any inability to avail such tax benefits could have an adverse effect on our growth strategy, and financial performance. For further details, please see "***Statement of Special Tax Benefits***" on page 134.

12. ***Our manufacturing operations are not characterised by high volumes of products, and are dependent on high value products since our Company specializes in manufacturing of high precision tooling for aero-engines and airframes, along with complex high precision components, assemblies, and electro-mechanical turnkey systems for the aerospace, defence, energy, and semiconductor industries. Any failure to maintain our existing volumes or pricing may adversely impact our business, results of operations and financial condition.***

We specialize in manufacturing of high precision tooling for aero-engines and airframes, along with complex high precision components, assemblies, and electro-mechanical turnkey systems for the aerospace, defence, energy, and semiconductor industries. Further, we operate in a high-mix, low-volume production environment characterized by a large number of SKUs, often with small order quantities, and complex product configurations. This business model necessitates significant investments in research and development, production infrastructure, and skilled labour, which contribute to higher production costs compared to companies operating in high-volume, standardized product markets. Consequently, our pricing strategy must reflect these higher costs, which could limit our ability to compete on price with companies operating in different business models.

As of March 31, 2024, our product portfolio included aero engine toolings, airframe toolings, and precision complex sub-assemblies. For further details, please see "***Our Business – Our Products***". Our product portfolio is not characterised by bulk volumes, and consequently our total revenue from operations is reliant on the pricing commanded by our products to achieve our scale of business. Set out below are details of top 5 products basis per unit value which were manufactured and sold by our Company in Fiscal 2024, along with the comparable data for similar products for Fiscal 2023 and Fiscal 2022 on a consolidated basis:

(₹ in million)

Particulars	Fiscal 2024			Fiscal 2023			Fiscal 2022		
	Revenue	Quantity	% of total revenue from operations	Revenue	Quantity	% of total revenue from operations	Revenue	Quantity	% of total revenue from operations
Product 1	11.34	2	0.54%	5.33	1	0.57%	5.15	1	1.42%
Product 2	16.58	3	0.79%	-	-	-	-	-	-
Product 3	24.20	5	1.16%	-	-	-	-	-	-
Product 4	9.28	2	0.44%	-	-	-	-	-	-
Product 5	8.47	2	0.41%	-	-	-	-	-	-
Total	**69.87**	**14**	**3.35%**	**5.33**	**1**	**0.57%**	**5.15**	**1**	**1.42%**

The pricing of our products is dependent on various factors such as cost and availability of raw material, cost of processes which are outsourced, delivery timing requested from our customers, performance of the industries in which our customers operate, our ability to negotiate purchase orders, pricing pressure from customers. There can be no assurance that we will continue to command the existing range of prices for our products. Further, we may not be able to increase the prices of our products in proportion to the expenses we incur to manufacture them.

Considering the nature of our operations and the complexity of the products we manufacture, we may not be able to achieve profitability or revenues of scale by increasing our production volumes. Accordingly, we are dependent on high value products. Any failure to maintain our existing volumes or our inability to ensure effective pricing, may adversely impact our business, results of operations and financial condition.

13. ***We do not own our Registered Office and Corporate Office and land on which our Company's manufacturing facilities is located. A failure to renew our existing lease arrangement at commercially favourable terms or at all may have a material adverse effect on our business, financial condition and results of operations.***

We do not own our Registered Office and Corporate Office premises situated at 538, 539, 542 & 543, 7th Main of Peenya IV Phase Industrial Area, Yeshwanthpur Hobli, Bangalore North Taluk - 560058, Bangalore, Karnataka, India. There can be no assurance that we will be able to renew our lease arrangements at commercially acceptable terms or at all. Our lease expenses for Fiscals 2022, 2023 and 2024 are set out below:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations
Amortization of lease hold land	0.57	0.03	0.57	0.06	0.57	0.16
Amortization of right to use assets	8.59	0.41	11.39	1.21	9.35	2.57
Interest on lease liabilities	1.42	0.07	2.06	0.22	2.80	0.77
Total	**10.58**	**0.51%**	**14.02**	**1.49**	**12.72**	**3.50**

Furthermore, our Registered Office and Corporate Office, is licensed to be used by third party and our Company has entered into a rental agreement with G L Polyurethene Processing Company Private Limited for the permitted use of our Registered Office and Corporate Office. For further details, see "***Our Business – Property***" on page 200.

We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. While we have not failed to renew our lease/ rental arrangements in the past, in the event that we are unable to in the future, we may be required to vacate our current premises and make alternative arrangements for new offices and manufacturing operations. If we are required to relocate our business operations or shut down our manufacturing facilities during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, financial condition, cash flows and results of operations. Furthermore, the deeds for our existing and future leased properties may not be adequately stamped or such stamp duty may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty.

14. ***Certain land on which our manufacturing facilities are located are leased to us by Karnataka Industrial Areas Development Board. If we are unable to comply with conditions of use of such land or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations.***

Our manufacturing facility in Unit II is located on industrial land allotted by the Karnataka Industrial Areas Development Board ("**KIADB**") at Bengaluru Aerospace SEZ park (Karnataka) pursuant to a lease deed dated November 2, 2019.

Under the terms of the allotment by KIADB to us, we are required to comply with various conditions such as adhering to the timelines for completion of setting up of the manufacturing facility and commencement of manufacturing activity. We are also required to obtain KIADB's approval for certain corporate actions, such as change of control and constitution, for change in any structure / building, etc. In the event we fail to comply with the terms and conditions under certain clauses of the lease deed, the KIADB reserves the right to resume the plot and deduct a certain percentage of the price of the plot and forfeit the amount of interest and penalty paid on installments. Furthermore, according to the statutory rules under which the KIADB functions, KIADB also retains the power to take back possession of the land in case of non-compliance with terms and conditions. If the letter of allotments are terminated, we would need to relocate our operations on that land to a different location, which would disrupt our operations and involve additional costs and which could have an adverse effect on our business, financial condition, results of operations and cash flows.

15. ***We have experienced negative cash flows from investing and financing activities in previous periods and cannot assure you that we will not experience negative cash flows in future periods. Negative cash flows may adversely affect our financial condition, results of operations and prospects.***

The following table sets forth certain information relating to our cash flows as per the Restated Consolidated Financial Information for the years / period indicated:

Particulars	**Fiscal**		
	2024	**2023**	**2022**
	(₹ million)		
Net cash generated from operating activities	236.33	13.54	15.28
Net cash generated from / (used in) investing activities	(239.22)	(59.19)	8.15
Net cash generated from / (used in) financing activities	55.80	29.36	(1.68)
Cash and cash equivalents at the end of the year	**71.78**	**18.75**	**34.49**

We may experience negative cash flows in the future as well. 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. This situation may have an adverse effect on our cash flows, business, future financial performance and results of operations. For more information, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 298.

16. ***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 table below sets forth the capacity utilization across our both manufacturing facilities as of March 31, 2022, 2023 and 2024, respectively:

A. Capacity expansion of our Company over the years*

As of, and for year ended March 31,								
2024			**2023**			**2022**		
Annual Installed Capacity (Hours)	**Annual utilization (Hours)**	**Capacity Utilization (%)**	**Annual Installed Capacity (Hours)**	**Annual Actual Production (Hours)**	**Capacity Utilization (%)**	**Annual Installed Capacity (Hours)**	**Annual Actual Hours (Hours)**	**Capacity Utilization (%)**
43,170.00	41,113.64	95.24%	43,170.00	40,963.61	94.89%	38,220.00	35,781.00	93.62%

**As certified by Nagson Engineers & Consultants, Independent Chartered Engineer, by way of their certificate dated August 19, 2024*

B. Capacity expansion of our Material Subsidiary over the years*

As of, and for year ended March 31,								
2024			**2023**			**2022**		
Annual Installed Capacity (Hours)	**Annual Actual Production (Hours)**	**Capacity Utilization (%)**	**Annual Installed Capacity (Hours)**	**Annual Actual Production (Hours**	**Capacity Utilization (%)**	**Annual Installed Capacity (Hours)**	**Annual Actual Production (Hours)**	**Capacity Utilization (%)**
1,79,820.00	1,68,348.85	93.62%	81,930.00	77,441.88	94.52%	61,590.00	58,592.00	95.13%

**As certified by Nagson Engineers & Consultants, Independent Chartered Engineer, by way of their certificate dated August 19, 2024*

For further details on our manufacturing facilities and capacities, see ***"Our Business – Installed Capacity and Capacity Utilization***" on page 197.

We are in the process of further expanding our existing Unit II facility in Bangalore by increasing production capacity to meet the growing demand from our existing customers. Further, our Company has been allotted 4 acres of land in Devanahalli General Indsutrial Area in Bengaluru Rural, Karnataka *vide* allotment letter dated July 1, 2024 issued by the Karnataka Industrial Areas Development Board. However, our ability to maintain our profitability depends on our ability to maintain high levels of capacity utilization and there is no assurance that our capacities will be adequately utilized post expansion. Capacity utilization is affected by our product mix, our ability to accurately forecast customer demand, to carry out uninterrupted operations, the availability of raw materials, and industry/ market conditions. In the event there is a decline in the demand for our products, or if we face prolonged disruptions at our 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 facilities, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. For instance, during Covid-19, our capacities were largely under-utilized due to the lack of sufficient orders on the same.

Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.

17. ***We generally do business with our customers on a purchase order basis and our customers do not make long-term commitments/ agreements with us and may cancel or change the purchase order as per their production requirements. Such cancellations or changes may adversely affect our financial condition, cash flows and results of operations.***

We primarily follow a business-to-business model with our customers which is based on purchase orders. While we have long standing relationships with several of our customers, we generally do not have long-term arrangements/ agreements, or arrangements with firm commitments of quantities with such customers, and consequently do not have clear visibility as to their future demand for our products. Due to this business model, our customers may cancel, change or delay production quantities and schedules, or fail to meet their forecasts for a number of reasons beyond our control. In addition, customers may fail to meet their payment commitments to us. Cancellations, reductions or delays by a significant customer, or by a group of customers, could adversely affect our operating results and negatively affect our working capital levels. Further, we are not necessarily the exclusive supplier to our customers and our competitors may also be supplying their products to our customers. Cancellations, reductions or delays of orders by a significant customer, or by a group of customers, could adversely affect our operating results and our working capital estimations. For instance, we have experienced instances of purchase order cancellations the past and set out below is the number and percentage of order cancellations from top 10 customers during the respective financial years:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total order from top 10 customers	3,157	1,766	1,672
No. of orders cancelled	21	39	52
No. of orders cancelled as a % of total orders	0.67%	2.21%	3.11%

While these occurrences have not materially impacted our financial performance to date, there is no guarantee that future instances will not have a negative impact. Our customer's expectations can also change rapidly, requiring us to take on additional commitments or risks. The absence of long-term arrangements/ agreements or arrangements with firm commitments of quantities from our customers and the possibility of rapid changes in demand for their products could affect our ability to accurately estimate their future requirements thereby leading to low utilization of our manufacturing facilities which could lead to loss of margins and / or reduced business in a particular month or year. For further details, please see "***Our Business – Installed Capacity and Capacity Utilization***" on page 197.

Considering that certain component of our operating expenses such as interest on leased asset, depreciation and amortization of assets, factory maintenance and insurance are fixed and reduction in customer demand can harm our operating results. Moreover, because our margins vary across customers and specific products, a reduction in demand with higher margin customers or higher margin products can have a significant impact on our margins, thereby having an adverse effect on our operating results

One other drawback of absence of long-term arrangements / agreements , or arrangements with firm commitments of quantities from our customers is that, customers may demand, among others, price reductions, set-off any payment obligations, may require indemnification for themselves or their affiliates, or change their outsourcing strategy by moving more work in-house or to other outsourcing partners, any of which may have an adverse effect on our business, results of operations and financial condition. Cancellations, reductions, or delays initiated by significant customers can also adversely impact our revenue and profitability. These changes can disrupt our production schedules, leading to idle capacity and potential inventory build-up. Moreover, delayed payments from customers can negatively affect our cash flow. While there have been no such instances in the past, we cannot assure that such instances will not happen in the future.

Further, we may need to increase staffing, increase capacity, engage sub-contractors and incur other expenses to meet the anticipated demand of our customers, which could cause reductions in our margins. We may not have sufficient resources, at any given time to meet all of our customers' demands, which could result in a loss of business from such customers.

18. ***We engage sub-contractors for a substantial portion of our manufacturing processes, with whom we do not have exclusive arrangements. Any delay, unavailability or deviation in quality of work by the sub-contractors may adversely impact our product, revenue from operations and thereby our profitability.***

We engage sub-contractors to perform several of our manufacturing processes including welding, tooling, manufacturing of precision components etc. Set out below, is the value and percentage of sub-contracting done by our Company:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations
Sub-contractor charges	269.14	12.89	74.13	7.87	28.89	7.95

While we work on an order basis with all of our sub-contractors, and in several instances, do not have control over their operations. Any delays by our contractors to complete the process of a project could result in our inability to meet project timelines. We may not be able to replace sub-contractors without any disruptions or adverse consequences to our operations and in certain situations, may be compelled to engage certain sub-contractors over multiple projects to derive cost efficiencies.

There can be no assurance that the sub-contractors will continue to perform their obligations to the same standards as those required by us or that our contractors will be able to enter into new or continue our existing arrangements with sub-contractors on acceptable terms, which could have an adverse effect on our manufacturing costs and schedules, which may impact our business and profitability. Further, our sub-contractors may fail to comply with applicable laws including labour laws, regulations and governance requirements. In such an event, we may be held accountable for the consequences of such non-compliance which may result in fines, penalties or other regulatory actions, leading to disruption of operations and impact on financial performance. There have been delays in the past by our sub-contractors, due to which we have failed to meet the timely completion of our orders. We cannot assure that such instances and instances with greater financial impact, do not happen in the future.

19. ***Our Statutory Auditors have included certain emphasis of matters in their auditor's report for the Financial Years ended March 31, 2022 and March 31, 2023 and the annexure to the auditor's reports as required under the Companies (Auditor's Report) Order, 2020. If such observations are included in future audit reports or examination reports, the trading price of the Equity Shares may be adversely affected.***

Our Statutory Auditors have included certain emphasis of matters in their auditor's report on our audited consolidated financial statements for the year ended March 31, 2022, March 31, 2023 and March 31, 2024 and the annexure to the auditor's reports on Companies (Auditor's Report) Order, 2020 ("**CARO**"), in respect of our Company and our Subsidiaries. Details of these emphasis of matters are set forth hereunder:

Financial Period/Year	Nature of Adverse Observation (Reservations, qualifications, adverse remarks, matters of emphasis or Other Matter)	Details of Adverse Observations*	Company's response to reservations, qualifications, adverse remarks or matters of emphasis, including any corrective measures	Impact on the financial statements and financial position of the Company
Financial year ended March 31, 2024	**Other Matters - Audit of the Consolidated Financial Statements**	a. We did not audit the special purpose financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 152.56 lakhs as at December 18, 2023, total revenues of ₹ 25.43 lakhs and net cash outflows amounting to ₹ (4.04) lakhs for the period ended on that date, as considered in the consolidated financial statements. These special purpose financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based	NIL	NIL

Financial Period/Year	Nature of Adverse Observation (Reservations, qualifications, adverse remarks, matters of emphasis or Other Matter)	Details of Adverse Observations*	Company's response to reservations, qualifications, adverse remarks or matters of emphasis, including any corrective measures	Impact on the financial statements and financial position of the Company
		solely on the reports of the other auditors. b. The consolidated financial statements of the Company for the year ended March 31, 2023, were audited by another auditor whose report dated September 29, 2023 expressed an unmodified opinion on those statements. c. The comparative financial information of the Group for the year ended March 31, 2023 and the transition date opening balance sheet as at April 01, 2022 included in these consolidated financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2021, specified under Section 133 and other relevant provisions of the Act audited by the predecessor auditor whose report for the year ended March 31, 2023 and March 31, 2022 dated September 29, 2023 and September 29, 2022 respectively expressed an unmodified audit opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion on the consolidated financial statements is not modified in respect of the above matters.		
Financial year ended March 31, 2023	**Matters of Emphasis - Audit of the Special Purpose Consolidated Financial Statements**	**Emphasis of matter - Basis of Accounting and Restriction on Distribution and Use:** Without modifying our opinion, we draw attention to Note 2.1 to the Special Purpose Ind AS Consolidated Financial Statements, which describe the purpose and basis of accounting of the Special Purpose Ind AS Consolidated Financial Statements. These Special Purpose Ind AS Consolidated Financial Statements are prepared	NIL	NIL

Financial Period/Year	Nature of Adverse Observation (Reservations, qualifications, adverse remarks, matters of emphasis or Other Matter)	Details of Adverse Observations*	Company's response to reservations, qualifications, adverse remarks or matters of emphasis, including any corrective measures	Impact on the financial statements and financial position of the Company
		by the management of the Group, solely for the purpose of the preparation of restated consolidated financial information to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to "Offer Documents") in connection with its proposed Initial Public Offering ('IPO') of equity shares of Holding Company as required by Section 26 of Part I of Chapter III of the Act, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (the "ICDR Regulations"), the SEBI Communications and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI. As a result, the Special Purpose Ind AS Consolidated Financial Statements may not be suitable for another purpose. Our report is intended solely for the use of Holding Company's Board of Directors for their purpose as specified above and should not be distributed to or used by any other parties. M S K A & Associates shall not be liable to the Holding Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.		
Financial year ended March 31, 2023	**Other Matter- Audit of the Special Purpose Consolidated Financial Statements**	The Company has prepared a separate set of General Purpose Financial Statements for the year ended March 31, 2023 in accordance with the Accounting Standards specified under Section 133 of the Act read along with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India on which the predecessor auditors have issued a separate auditor's report to the shareholders		

Financial Period/Year	Nature of Adverse Observation (Reservations, qualifications, adverse remarks, matters of emphasis or Other Matter)	Details of Adverse Observations*	Company's response to reservations, qualifications, adverse remarks or matters of emphasis, including any corrective measures	Impact on the financial statements and financial position of the Company
		of the Company dated September 29, 2023. (b) The Special Purpose Consolidated Financial Statements for the year ended March 31, 2023 has been prepared by the management in accordance with the basis stated in Note 2.1 to the Special Purpose Consolidated Financial Statements solely for the purpose of preparation of Restated Financial Information to be included in the Offer Documents in connection with the proposed IPO of equity shares of the holding Company. Accordingly, the management has not presented the corresponding comparative figures in these financial statements. Our opinion is not modified in respect of the above matter.		
Financial year ended March 31, 2022	**Matters of Emphasis - Audit of the Special Purpose Consolidated Financial Statements**	**Emphasis of matter-Basis of Accounting and Restriction on Distribution and Use:** Without modifying our opinion, we draw attention to Note 2.1 to the Special Purpose Ind AS Consolidated Financial Statements, which describe the purpose and basis of accounting of the Special Purpose Ind AS Consolidated Financial Statements. These Special Purpose Ind AS Consolidated Financial Statements are prepared by the management of the Group, solely for the purpose of the preparation of restated consolidated financial information to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to "Offer Documents") in connection with its proposed Initial Public Offering ('IPO') of equity shares of Holding Company as required by Section 26 of Part I of Chapter III of the Act, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (the "ICDR Regulations"), the SEBI Communications and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI. As a result, the Special	NIL	NIL

Financial Period/Year	Nature of Adverse Observation (Reservations, qualifications, adverse remarks, matters of emphasis or Other Matter)	Details of Adverse Observations*	Company's response to reservations, qualifications, adverse remarks or matters of emphasis, including any corrective measures	Impact on the financial statements and financial position of the Company
		Purpose Ind AS Consolidated Financial Statements may not be suitable for another purpose. Our report is intended solely for the use of Holding Company's Board of Directors for their purpose as specified above and should not be distributed to or used by any other parties. M S K A & Associates shall not be liable to the Holding Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.		
Financial year ended March 31, 2022	**Other - Audit of the Special Purpose Consolidated Financial Statements**	(a) The Group has prepared a separate set of General Purpose Consolidated Financial Statements for the year ended March 31, 2022 in accordance with the Accounting Standards specified under Section 133 of the Act read along with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India on which the predecessor Auditor have issued a consolidated auditor's report to the shareholders of the Holding Company dated September 29, 2022. (b) The Special Purpose Consolidated Financial Statements for the year ended March 31, 2022 has been prepared by the management in accordance with the basis stated in Note 2.1 to the Special Purpose Consolidated Financial Statements solely for the purpose of preparation of Restated Financial Information to be included in the Offer Documents in connection with the proposed IPO of equity shares of the holding Company. Accordingly, the management has not presented the corresponding comparative		

Financial Period/Year	Nature of Adverse Observation (Reservations, qualifications, adverse remarks, matters of emphasis or Other Matter)	Details of Adverse Observations*	Company's response to reservations, qualifications, adverse remarks or matters of emphasis, including any corrective measures	Impact on the financial statements and financial position of the Company
		figures in these financial statements. Our opinion is not modified in respect of the above matters.		

Companies (Auditor's Report) Order, 2020 (CARO 2020):

The audit report dated July 3, 2024 on the audited standalone financial statements of our Company and our Subsidiaries for the Financial Year 2023-24, a statement on certain matters specified in CARO 2020, which was modified for the qualification or adverse remarks by the respective auditors in the CARO reports of the respective companies for delay in payment of disputed statutory dues by our Company and our Subsidiaries are reproduced as follows:

"Clause 3(vii)(a): According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.

Clause 3(vii)(b): According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of any dispute, are as follows:

Unimech:

(₹ in million)

Name of the statute	*Nature of dues*	*Amount Demanded*	*Amount Paid*	*Period to which the amount relates*	*Forum where dispute is pending*
Income Tax Act, 1961	*Income tax and interest there on*	*0.92*	*0.18*	*AY 2023-24*	*Commissioner of Income Taxes (Appeals)*

Innomech:

(₹ in million)

Name of the statute	*Nature of dues*	*Amount Demanded*	*Amount Paid*	*Period to which the amount relates*	*Forum where dispute is pending*
Income Tax Act, 1961	*Income tax and interest there on*	*28.62*	*5.72*	*AY 2023-24*	*Commissioner of Income Taxes (Appeals)*

The audit reports issued by our statutory auditors for the respective financial years are not modified in respect of the above matters. However, there can be no assurance that the audit reports for any future fiscal periods will not contain such matters or that such matters will not otherwise affect our results of operations in such future periods, as well as our financial condition, and the trading price of the Equity Shares. Investors should consider these qualifications, remarks and observations of our Statutory Auditors in evaluating our financial condition, results of operations and cash flows.

20. ***Our business depends on our ability to successfully obtain payments from our customers for products and services provided. There is no guarantee that we will accurately assess the creditworthiness of our customers, and actual losses on amounts due to us from customer could differ from those that we currently anticipate. Our inability to collect receivables in time or at all and default in payment from our customers could result in the reduction of our revenue, profits and affect our cash flows.***

Cash collection trends measured by days outstanding have a material impact on our cash flows. In general, an increase in bad debts or aged debtors leads to greater usage of operating working capital and increased interest costs. We provide our customers with credit period typically ranging from 30-120 days as part of our standard payment terms. The table below sets forth our trade receivables and allowance for doubtful debts as of the dates stated:

Particulars	As of the year ended		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Trade Receivables [(1)] (₹ million)	468.42	321.30	75.15
Trade receivables turnover ratio [(2)]	4.46	2.93	4.84
Trade receivables days [(3)]	82	125	75
Trade Receivables ageing schedule of undisputed trade receivables – considered good			
Outstanding for less than 6 months[(4)]	462.42	317.43	70.22
Outstanding for more than 6 months	6.00	3.86	4.93

Notes:

1. *Trade receivables are non-interest bearing and are generally on terms of 75-125 days (net of loss allowance).*
2. *Trade receivables turnover ratio is calculated as revenue from operations divided by trade receivables.*
3. *Trade receivables days is calculated as Trade receivables divided by revenue from operations multiplied by 365 days.*
4. *Includes trade receivables not due less (provision for expected credit loss allowances plus liquidated damages).*

For information on the ageing of our trade receivables, "***Restated Consolidated Financial Information – Note 10 – Trade Receivables ageing schedule***" on page 266.

Our business depends on our ability to successfully obtain payments from our customers for products and services provided. There is no guarantee that we will accurately assess the creditworthiness of our customers, and actual losses on amounts due to us from customer could differ from those that we currently anticipate. In the past, we have had to write off ₹ 2.82 million bad debts from our customers in Fiscal 2024 and ₹2.26 million in Fiscal 2022. However, macro conditions such as the reduction of global production levels and tightening of liquidity in the global financial markets could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us in the future. The occurrence of any of these events could increase our trade receivables. If one or more of our customers were to become insolvent or otherwise be unable or unwilling to pay for their orders, our results of operations, cash flows and financial condition could be adversely affected. Furthermore, an increase in bad debts or in defaults by our customers 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.

21. ***There is a factual inaccuracy in one of our corporate filings. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future which may impact our financial condition and reputation and we will not be subject to any penalty imposed by the competent regulatory authority in this regard.***

Our Company passed a board resolution November 20, 2020 for change in registered office from "No 103,113 and114 of Peenya III Phase Industrial Area, Sy 93,89 and 90 of Peenya Village, Yeshwanthpur Hobli, Bangalore, North Taluk, Bengaluru Urban District, Bengaluru – 560058" to "538, 539, 542 & 543, 7th Main of Peenya IV Phase, Industrial Area, Yeshwanthpur Hobli, Bangalore, North Taluk, Bangalore Urban District, Bengaluru – 560058" . While the effective date of such change in the registered office was mentioned in the board resolution to be December 1, 2020, the form INC-22 filed with RoC erroneously mentioned the effective date as November 20, 2020. Although no actions have been initiated or pending against us in relation to such inaccuracy in our corporate filing, as on the date of this Draft Red Herring Prospectus, if we are subject to any such liability, it may have an adverse effect on our reputation, and results of operations. Further, there can be no assurance that there will be no inaccuracy or non-compliances in the future and our Company will not be subject to adverse actions by the authorities.

22. ***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 of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations and financial condition. We depend on these third-party suppliers of raw materials and do not have firm commitments for supply or exclusive arrangements with any of our suppliers and are required to pay advances from time to time. The absence of long-term contracts or exclusive arrangements and non-recovery of advances, exposes us to potential supply chain disruptions which could significantly impact our production capacity, leading to delays in order fulfilment and potential loss of revenue.***

Our cost of material consumed is a significant portion of our total expenses. The table below sets forth details of our cost of material consumed, including as a percentage of our total expenses and total revenue from operations, during the Fiscal stated:

Particulars	Fiscal 2024			Fiscal 2023			Fiscal 2022		
	Amount (₹ million)	% of total expenses	% of total revenue from operations	Amount (₹ million)	% of total expenses	% of total revenue from operations	Amount (₹ million)	% of total expenses	% of total revenue from operations
Cost of material consumed	486.31	35.42	23.29	297.51	45.38	31.59	89.32	26.77	24.57

We procure our raw materials, including standard parts, from third parties based on purchase orders and generally do not have firm commitments from our suppliers. The absence of long-term contracts at fixed prices and the need to maintain a continued supply of raw materials may make it difficult to resist price increases imposed by our suppliers. Also see, " ***– Internal Risk Factors – 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 of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations and financial condition. We depend on third-party suppliers of raw materials and do not have firm commitments for supply or exclusive arrangements with any of our suppliers and are required to pay advances from time to time. The absence of long-term contracts or exclusive arrangements and non-recovery of advances, exposes us to potential supply chain disruptions which could significantly impact our production capacity, leading to delays in order fulfilment and potential loss of revenue.***" Additionally, our practice of absorbing minor cost fluctuations without adjusting product pricing exposes us to the risk of margin erosion.

We do not generally have firm commitments for the supply of raw materials and rely on purchase orders and delivery schedules for the procurement of raw materials. We procure our raw materials by way of entering into general purchase agreements, which set out the general terms and are supplemented by purchase orders wherein the pricing, scheduling and delivery details are set out. We depend on third-party suppliers for our raw materials that we procure under contractual arrangements with them which are typically valid until terminated by either party by giving prior notice. Our reliance on third-party suppliers without long-term contracts or exclusive arrangements exposes us to supply chain risks. Potential disruptions, such as supplier insolvency, natural disasters, or increased material costs, could impact our production, leading to delays, increased costs, or product shortages. We may be unable to source such raw materials from alternative suppliers on similar commercial terms and within a reasonable timeframe. As our operations are governed by applicable laws, including environmental regulations, manufacturing laws, and strict quality requirements specified in customer contracts, our supplier base is limited. This limitation exacerbates the risk of being unable to find alternative arrangements. While our suppliers have not terminated their arrangements with us at short notice in the last three Fiscals, we may be unable to find suitable alternatives in the event our suppliers terminate their engagements with us in the future.

Furthermore, as we typically do not have exclusive arrangements with our suppliers, our suppliers could engage with our competitors and prioritize supplies of their other customers, which could adversely impact our ability to procure a sufficient quantity of raw materials at competitive rates. The table below sets forth the contribution of our top 3, 5 and 10 suppliers to our cost of raw material consumed for the Fiscal stated:

Particulars*	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	% of cost of material consumed	Amount (₹ million)	% of cost of material consumed	Amount (₹ million)	% of cost of material consumed
Top 3 suppliers	92.55	19.03	173.75	58.40	20.26	22.68
Top 5 suppliers	143.17	29.44	186.82	62.79	29.38	32.89
Top 10 suppliers	209.57	43.09	209.10	70.28	41.90	46.91

* *Names of our top 10 suppliers are not mentioned in this Draft Red Herring Prospectus due to confidentiality reasons and non-receipt of consents.*

Ultimately, our success depends on the uninterrupted supply of raw materials to our manufacturing facilities which is subject to various uncertainties and risks. A failure to maintain a continuous supply of raw materials may result in our inability to manufacture and supply products to our customers in accordance with the respective contract and on a timely basis which might have a material and adverse effect on our business, results of operations and financial condition. Further we are required to pay advances to our suppliers from time to time and there is no assurance that such advances will be fully recovered. Set out below is the summary of advances written off in last three Fiscals:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	as a % of revenue from operations	Amount (₹ in million)	as a % of revenue from operations	Amount (₹ in million)	as a % of revenue from operations
Advances to creditors written-off	0.16	0.01%	-	Nil	-	Nil

Our reliance on a just-in-time inventory system makes us highly dependent on the timely delivery of raw materials from our suppliers. While we maintain purchase order agreements, the absence of long-term contracts or exclusive arrangements exposes us to potential supply chain disruptions. Suppliers' failure to meet delivery schedules or quality standards could significantly impact our production capacity, leading to delays in order fulfilment and potential loss of revenue.

23. ***Our operations are susceptible to risks and uncertainties associated with exports in India and customs clearances. The Indian customs authorities have wide powers to check the consignments which are exported from India. Any inability to effectively export our products across Indian borders or delay in customs clearance for our export consignments resulting in delays in deliveries of our products may result in a material adverse impact on our business, cash flows, results of operations and financial condition.***

Our operations are susceptible to risks and uncertainties associated with exports in India. We are subject to a stringent regulatory framework, including compliance with customs laws, accreditations, certifications, SEZ regulations, and SCOMET license requirements. For example, maintaining our certification of "One Star Export House" issued by the Directorate General of Foreign Trade, Ministry of Commerce and Industry, necessitates periodic re-application and fulfilment of stringent criteria. For further details, please see "***History and Certain Corporate Matters***" on page 208. Any loss of such certifications or inability to obtain any additional certifications required for certain export mandates, may impact our export sales, which may in turn impact on our business, cash flows, results of operations and financial condition.

Further, the Indian customs authorities have wide powers to check the consignments which are exported from India. Any delay in customs clearance for our export consignments may result in delays in deliveries of our products. The Directorate General of Analytics and Risk Management has the ability to place an all-India alert on the Indian Customs EDI Systems for a "risky exporter" based on certain identified risk parameters. If an alert of risky exporter is invoked on the Import Export Code, all the refunds of IGST, drawback and other benefits are curtailed and all the export consignments are subject to verification. For instance, in September 2020, our IEC code was erroneously flagged as a "risky exporter". This incorrect classification led to heightened scrutiny for all our export and import shipments from September 2020 to April 2021. As a result, all consignments during this period underwent rigorous physical inspections, causing significant delays in cargo clearance, however, no penalties were levied on account of such delay. Transportation costs associated with export shipments are typically borne by our customers. In instances where we advance these costs, we receive full reimbursement. While there have been no instances of material delays in exporting of our products from India other than in the ordinary course of business, there can be no assurance that we may not face any such delays or additional costs in future.

Further, non-compliance with SEZ regulations or SCOMET license requirements could also result in penalties, export bans, and reputational damage. Considering majority of our business is attributable to exports, any such actions may result in a material adverse impact on our business, cash flows, results of operations and financial condition.

24. ***We regularly work with hazardous materials and activities in our operation can be dangerous, which could cause injuries to people or property. The occurrence of any of these hazards could result in a suspension of operations and the imposition of civil or criminal liabilities. 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.***

Our operations are subject to operating risks associated with component manufacturing, including related to handling and storage of raw materials used in our manufacturing processes. Certain operations at our manufacturing facilities, including fixture loading on machines, laser marking during CNC machining, welding can cause accidents during the manufacturing process resulting in serious injuries or death of employees or other persons, if improperly handled, and cause damage to our properties and the properties of others.

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;
- discharges or releases of hazardous substances, chemicals or gases; and
- other environmental risks.

We cannot assure that such instances will not occur in the future. 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 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.

25. ***Objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders' approval.***

We propose to use the Net Proceeds for (i) Purchase of machineries & equipment by our Company; (ii) Funding working capital requirements of our Company; (iii) Investment in our Material Subsidiary for: (a) purchase of machineries & equipment; (b) funding its working capital requirements; and (c) repayment / prepayment, in full or part, of certain borrowings availed by our Material Subsidiary; and (iv) general corporate purposes. For details, see "***Objects of the Offer***" on page 101. The proposed deployment of Net Proceeds has not been appraised by any bank or financial institution or other independent agency and is based on internal management estimates based on current market conditions and historic level of expenditures. Any variation in the utilization of the Net Proceeds shall be on account of a variety of factors such as our financial condition, business and strategy and external factors such as market conditions and competitive environment, which may not be within the control of our management, and may be subject to various other approvals, which includes, amongst others obtaining prior approval of the Shareholders of our Company. Various risks and uncertainties, including those set forth in this "***Risk Factors***" section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. Accordingly, the use of the Net Proceeds to fund our growth and for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

26. ***Cyber threats and non-compliance with and changes in privacy laws and regulations, failure or disruption of our Information Technology systems may adversely affect our business, financial condition, results of operations and prospects.***

We have implemented various Information Technology ("**IT**") systems that cover key areas of our operations, procurement, inventory, sales and dispatch and accounting. We rely on various IT systems for key operations, including procurement, inventory, sales, dispatch, and accounting. These systems are vulnerable to damage or disruptions from natural disasters, power outages, hardware, software, or network issues, which could adversely affect our operations and data security. While we haven't experienced major disruptions in the past, future incidents can't be ruled out.

Cyber threats such as phishing, hacking, data theft, and advanced persistent threats pose significant risks, potentially leading to unauthorized access and the disclosure of sensitive information. We also face challenges related to information security and privacy, including handling personal and financial data of employees and customers. Although we implement security measures and rely on third-party vendors for cybersecurity, we cannot guarantee complete protection against all threats.

Additionally, the collection, usage, storage, transmission of personal information has been subjected to strict scrutiny in several jurisdictions where we operate. For instance, the General Data Protection Regulation of the European Union which regulates the collection, control, processing, sharing, disclosure, and other use of personal data in the Europe and United Kingdom. As demonstrated, our Company operates majorly in Europe in particular, United Kingdom. While our Company is adhering to the regulatory requirement in relation to storage and usage of personal data, there can be no assurance that our Company will continue to be in compliance with such regulations including the General Data Protection Regulation. Our Company is accordingly required to strictly comply with the provisions of General Data Protection Regulation. Our failure to comply with the standards prescribed under the General Data Protection Regulation may have an adverse impact on our operations in Europe and United Kingdom and affect our business operations and financial conditions.

Compliance with evolving laws and regulations, like the IT Act and the upcoming Digital Personal Data Protection Act, 2023, adds another layer of complexity. Changes in these laws may require us to adjust our systems and incur additional costs. Any failure to prevent security breaches, comply with legal obligations, or effectively manage IT systems could damage our reputation, lead to legal liabilities, and negatively impact our business, financial condition, and operations.

27. ***Any downward revision of our credit ratings could result in an increase in the interest rates we would pay on any new borrowings and could decrease our ability to borrow as much money as we require to finance our business.***

The cost and availability of capital, among other factors, depends on our credit rating. Our credit rating reflects, amongst other things, the rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. We have received credit ratings of "A- with a stable outlook" from CRISIL Ratings, reflecting our strong market position, experienced management, and robust financial profile on July 31, 2024. We may not be able to maintain our credit ratings in future and any downgrade in our ratings may increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

28. ***We may undertake technical collaboration, joint ventures, alliances and acquisitions in the future, which may be difficult to integrate and manage, and non-performance of any of our strategic investments etc. might expose us to risks that could adversely affect our business.***

We may pursue technical collaborations, joint ventures, strategic investments and alliances as a mode of expanding our operations. However, we do not have any such technical collaborations subsisting on the date of this Draft Red Herring Prospectus. We have also entered into licensing agreements with a research organization in the aerospace sector for utilization of technology for manufacturing and selling products. For details on such collaborations, see "***History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. since incorporation***" on page 210 . In the past, we have entered into technical collaborations, which had to be discontinued in between due to financial unviability.

Such technical collaboration agreements may enable the providers of such technical assistance to terminate their arrangements with us. An inability to continue these arrangements may impact our ability to carry out certain design and manufacturing processes, or commercially manufacture certain types of products which could adversely affect our ability to cater to our customers' requirements.

Similar to our technical collaborations, that we may undertake, we may also enter into other strategic alliances including by way of acquisitions and joint ventures. These investments are subject to various risks, including market fluctuations, operational challenges, regulatory changes, and management inefficiencies. Should any of these strategic investments fail to meet their expected performance, it could lead to significant financial losses. Additionally, non-performance might arise from factors beyond our control, such as economic downturns, geopolitical tensions, or natural disasters, further exacerbating the impact on our financial health and operational stability. On April 27, 2022, our Company had invested in its erstwhile subsidiary Unimech Healthcare Private Limited which was engaged in trading healthcare products and limited manufacturing to build products. This investment led to a loss of ₹ 6.83 million from April 1, 2023, to December 18, 2023, and ₹ 7.29 million for the Fiscal 2023. Due to the underperformance of this investment, our Company divested its stake in Unimech Healthcare Private Limited on December 18, 2023. There can be no assurance that we will be able to successfully integrate and realize the strategic and/or operational benefits of alliances we enter into in the future or that such arrangements will contribute to our profitability. Any disruption or termination of such arrangements in the future would impair our investments and impact our business, results of operations and financial condition.

While we have not experienced significant failures in the past, we cannot guarantee that future investments will meet performance expectations. Financial losses from underperforming investments could limit our ability to invest in other growth opportunities, affecting our competitive position and long-term profitability. The success of these strategic investments is crucial for our future growth and financial performance, and any adverse developments could materially and adversely impact our business, financial condition, and results of operations.

29. ***We may not be successful in implementing our growth strategies. Any failure in such implementation may have an adverse effect on our future business growth, acquiring new clients, results of operations and financial condition.***

The success of our business depends on our ability to effectively implement our business growth strategies. Even if we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of targeted customers. Please see "***Our Business – Key Strategies***" on page 187, for further details in relation to our growth strategies.

We expect our strategies to place significant demands on our management and other resources and require us to continue developing and improving our operational, financial and other internal controls. We may not be successful in implementing our growth strategies due to various factors, including failure to adapt to rapidly evolving technological changes, changing customer preferences, change in business and spending plans of our customers, anticipate and accurately assess potential growth opportunities and new markets and effectively allocate resources and capital investment in a timely and cost-effective manner to capitalize on such opportunities, attract new customers, obtain sufficient financing for our expected capital expenditures, control input costs, effectively manage our internal supply chain, manufacturing processes and operations and costs related to R&D and maintain sufficient operational and financial controls. Our inability to effectively manage the expansion of our business and execute our strategies effectively, could adversely affect our business, results of operations and financial condition.

30. ***Our Company may not be able to utilize its Minimum Alternate Tax ("MAT") that may adversely affect our business, financial condition and profitability***

Our Company had a significant unutilized MAT credit balance of ₹ 55.28 million as of March 31, 2024 and advance tax of ₹ 163.24 million as of March 31, 2024. The advance tax of our Company is likely to get converted into MAT post filing of income tax return. While our Company has the option to utilize this credit to offset future income tax liabilities, there is no assurance that our Company will generate sufficient taxable income in the future to fully utilize this credit in accordance with the Income-Tax Act, 1961. Any inability to fully utilize the MAT credit could adversely impact our Company's future cash flows and profitability.

31. ***Our business works on a longer gestation period wherein, there is considerable time gap between the receipt of order and the payment, thereby, affecting our working capital requirements and profitability of the business.***

Our business model is characterized by a lengthy order-to-cash cycle. From the receipt of a purchase orders, the manufacturing process typically spans between 4 to 16 weeks, depending on product complexity. Post-production, product delivery and customer acceptance can take an additional 2 to 8 weeks. Subsequently, the collection period extends from 30 to 120 days. This extended cycle significantly impacts our working capital requirements and overall cash flow.

Our business operates with a longer gestation period, characterized by a significant time gap between the receipt of orders and the subsequent payment. This extended timeline can substantially impact our working capital requirements and profitability. During the period between order receipt and payment collection, we are required to invest in raw materials, production, and other operational expenses without corresponding immediate revenue inflows. This mismatch can strain our liquidity and necessitate additional funding to meet our working capital needs, potentially increasing our financing costs and impacting our financial stability.

Moreover, the prolonged payment cycle can affect our overall profitability. Delays in payment receipts may lead to increased reliance on short-term borrowings, incurring higher interest expenses and reducing our net profit margins. Additionally, any disruptions or delays in the payment process, whether due to customer-related issues or external economic factors, can exacerbate these challenges, further affecting our cash flow and operational efficiency. As a result, the extended gestation period inherent in our business model poses a material risk to our financial performance and necessitates careful management of our working capital to ensure sustained profitability and business continuity.

32. ***If we are unable to anticipate, identify, understand and respond timely to rapidly evolving technological and market trends to meet our customers' demands and to adapt to major changes and shifts in the aerospace, semi-conductor, energy and defence markets, our business may be materially adversely affected.***

The aerospace, semi-conductor, energy and defence markets in which we operate are undergoing significant technological changes, with increasing focus on, among other things, electrification of aircrafts, power storage capacity and technological changes. Our results of operations and financial condition are impacted, in part, by our competitive advantage in developing, engineering and manufacturing innovative and/or improved products.

Our ability to anticipate changes in technology, successfully develop, engineer, and bring to market new and innovative and/or improved products, or successfully respond to evolving customer needs, may have a significant impact on our market competitiveness. Maintaining our competitive position is dependent on our ability to develop commercially viable products that support the future technologies adopted by our customers and meet our customers' demands in a timely manner. Unexpected advancements in a given technology in the market or difficulties encountered in developing a new technology internally, could prevent us from seizing opportunities relating to technological breakthroughs and as a result could impact our competitive positioning, growth and profitability.

We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of our systems and components to operate properly. If we are unable to maintain our competitive advantage through innovation or if we do not sustain our ability to meet customer requirements relative to technology or acquire new and compelling products that capitalize upon new technologies in response to OEM and consumer preferences, our business, financial condition and results of operations could be materially and adversely affected.

33. ***While we have achieved substantial revenue growth and expanded manufacturing capacity in recent years, it's important to note that our historical growth rate is partially attributed to a relatively small revenue base. There is no assurance that we can sustain this high growth rate in the future. Market conditions, competitive pressures, and economic factors could impact our ability to achieve similar growth levels going forward. We have experienced growth in recent years and may be unable to sustain our growth or manage it effectively.***

We have expanded our operations and experienced growth in the recent years. As of March 31, 2024, we have two manufacturing facilities, Unit I and Unit II, in Bangalore which is spread across an aggregate area of over 1,20,000 sq ft. The table below sets forth our installed capacities across our both manufacturing facilities as of March 31, 2022, 2023 and 2024, respectively:

A. Capacity expansion of our Company over the years*

As of, and for year ended March 31,								
2024			2023			2022		
Annual Installed Capacity (Hours)	Annual utilization Hours (Hours)	Capacity Utilization (%)	Annual Installed Capacity (Hours)	Annual Actual Production (Hours)	Capacity Utilization (%)	Annual Installed Capacity (Hours)	Annual Actual Hours (Hours)	Capacity Utilization (%)
43,170.00	41,113.64	95.24%	43,170.00	40,963.61	94.89%	38,220.00	35,781.00	93.62%

** As certified by Nagson Engineers & Consultants, Independent Chartered Engineer, by way of their certificate dated August 19, 2024*

B. Capacity expansion of our Material Subsidiary over the years*

As of, and for year ended March 31,								
2024			2023			2022		
Annual Installed Capacity (Hours)	Annual Actual Production (Hours)	Capacity Utilization (%)	Annual Installed Capacity (Hours)	Annual Actual Production (Hours)	Capacity Utilization (%)	Annual Installed Capacity (Hours)	Annual Actual Production (Hours)	Capacity Utilization (%)
1,79,820.00	1,68,348.85	93.62%	81,930.00	77,441.88	94.52%	61,590.00	58,592.00	95.13%

**As certified by Nagson Engineers & Consultants, Independent Chartered Engineer, by way of their certificate dated August 19, 2024*

For further details on our manufacturing facilities and installed capacity, see "***Our Business – Installed Capacity and Capacity Utilization***" on page 197 and "***Our Business – Property***" on page 200.

We have also experienced significant revenue growth, driven in part by our expanded manufacturing capacity. The following table sets out our revenue from operations for the financial years / periods indicated:

Geography	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations
India	49.26	2.36	45.21	4.80	32.48	8.93
United States	1,924.57	92.19	724.18	76.91	277.64	76.38
Germany	113.41	5.43	172.18	18.28	51.50	14.17
United Kingdom	Nil	Nil	Nil	Nil	0.91	0.25
Others	0.50	0.02	0.09	0.01	0.96	0.27
Total	**2087.75**	**100.00**	**941.66**	**100.00**	**363.49**	**100.00**

While we have achieved substantial revenue growth and expanded manufacturing capacity in recent years, it's important to note that our historical growth rate is partially attributed to a relatively small revenue base. There is no assurance that we can sustain this high growth rate in the future. Market conditions, competitive pressures, and economic factors could impact our ability to achieve similar growth levels going forward.

Sustaining our growth will require continuous investments including in capital expenditure and will also put pressure on our ability to effectively manage and control historical and emerging risks. An expansion in the size of our business and the scope and complexity of our operations could strain our internal control framework and processes, which may result in delays and increased costs impacting our financial performance. We may be unable to effectively manage this growth, achieve the desired profitability in the expected timeframe, or maintain the same growth and capital expenditure rates, which could negatively impact our financial performance.

34. We outsource certain operations of our business – ancillary support services related to factory and operations of the business including transport, logistics and other processes to third parties. Any failure by such third parties to deliver their services could have an adverse impact on our business.

We rely on external logistic contractors for supply of raw materials and deliveries of our products. For our operations in India, we primarily engage third party logistics providers to ship finished goods to our customers by road, and typically enter into agreements with them for a period of one year. Transportation costs are typically borne by our customers, with exceptions for a limited number of domestic clients where we incur these charges. For a single export customer, we handle transportation costs directly. For our exports, we engage third party logistics providers to export certain of our finished goods through sea shipments and, we undertake majority of our deliveries by air. Our delivery schedules could also be affected by price escalation in freight. For aftersale support, we typically rely on the same third-party logistics providers for support on our transportation requirements. These third-party service providers are responsible for ensuring our transportation rates are competitive and that our transportation carriers are performing as required. The table below sets forth our freight and forwarding cost and the ancillary support costs for the Fiscal indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations
Freight and forwarding cost	34.41	1.65%	17.52	1.86%	9.89	2.72%

As we do not control our third-party freight and transportation providers, we could be subject to transportation strikes that could hamper supplies and deliveries to and from our customers and suppliers. There may also be delay in delivery of raw materials and products and 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 adversely impact our customer relationships. Any recompensation 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. While we have not experienced any instances of failure to meet our customer's delivery schedules in the past due to any fault of our external transport and logistics contractors, there is no assurance on the reliability of delivery by our contractors, and any failure in meeting our customer's delivery schedules can impact our relationship with customers and may result in cancellation of existing or future orders which may have an adverse impact on our operations.

35. ***We have significant power, fuel, water requirements and other utilities and any disruption to the supply of power, fuel or water could disrupt our manufacturing operations and increase our production costs, which could adversely affect our results of operations.***

We require substantial power, water and fuel to operate our manufacturing facilities, and energy costs represent a key component of the production costs for our operations. If energy costs were to continue to rise, or if electricity, fuel or water supplies or supply arrangements were disrupted, our manufacturing operations could be disrupted, and our profitability could decline. The table below sets forth our power, fuel and water costs for the Fiscal stated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations
Utilities	13.97	0.67	10.23	1.09	7.95	2.19

We source most of our electricity requirements for our manufacturing operations from state electricity boards. The cost of electricity from third-party suppliers could be significantly higher, thereby increasing our cost of production and adversely affecting our profitability. In the event of a supply disruption from state electricity boards and third-party suppliers, we will need to rely on captive generators to ensure uninterrupted supply, which may not be able to consistently meet our requirements and may also have additional cost implications that we may be unable to pass on to our customers. Furthermore, if our generators are unable to support our operations, we may need to shut down our facilities until adequate supply of electricity is restored. We are also subject to potentially significant inflationary pressures on fuel costs and if fuel costs continue to rise and if we are unable to pass on these increased costs to our customers, our profitability could decline.

In addition, we source most of our water requirements from state utilities, and there can be no assurance that we will be able to obtain a sufficient supply of water from sources in these areas, some of which are prone to drought. We are subject to price risk due to scarcity of water and if supply or access is not available, our manufacturing operations may be disrupted. We may also be forced to shut down or scale down our production if the drought worsens and we are unable to access sufficient volumes of water.

Frequent production shutdowns lead to increased costs associated with restarting production and corresponding loss of production, any of which would adversely affect our results of operation and financial condition. While we have not in the past experienced any interruptions to our power, fuel or water supplies, there is no guarantee that interruptions would not occur due to any events unforeseen by us.

36. ***Our proposed expansion plans relating to the manufacturing facilities in our Material Subsidiary facility, proposed investment in new facility by our Company in Bengaluru, Karnataka and are subject to the risk of unanticipated delays in implementation and cost overruns.***

We are in the process of expanding our manufacturing capacity at Innomech's existing facility located in the Bengaluru Aerospace SEZ Park, Karnataka. Further, our Company has been allotted 4 acres of land in Devanahalli General Industrial Area in Bengaluru Rural, Karnataka *vide* allotment letter dated July 1, 2024 issued by the Karnataka Industrial Areas

Development Board. For further details, see "***Our Business – Property***" on page 200. However, these expansion plans may be delayed or terminated due to a number of factors including: inability of our contractors to complete the construction on time, within budget or to the standards specified to them; failure to obtain necessary government approvals in time or at all; occurrence of *force majeure* events; disruptions such as injury to third parties, site accidents or other incidents and contractual disputes with our construction contractors; and inability to obtain adequate financing to complete construction of and to commence operations of the project. This could also lead to defects in design or construction of such proposed facility, increase in pre-operating expenses, taxes and duties, increase in interest and finance charges, working capital margin, environment and ecology costs.

A delay on account of any of these factors could increase the financing costs associated with the construction and cause us to exceed the forecasted budget. We may also be unable to recover the amounts we have invested in the project if our estimates/projections for these projects do not materialize. While we have not experienced any delays or cost overruns in the construction of manufacturing facilities in the last three Fiscals, there can be no assurance that the construction of the required infrastructure at the proposed new facilities at Bengaluru Aerospace SEZ park and in Devanahalli General Industrial Area, Karnataka will be completed in a timely manner, or within our budgeted capital expenditure and other costs. Furthermore, there can also be no assurance that we will be able to fully utilize the new manufacturing facilities.

37. We are dependent on contract labour and any disruption to the supply of such labour for our manufacturing facilities or our inability to control the composition and cost of our contract labour could adversely affect our operations

Our workforce includes personnel that we engage through independent contractors for the production related activities and predominantly machine operators. The table below sets forth details of our Company and Material Subsidiary's contract labour as of the dates indicated:

Particulars	During the year of		
	March 31, 2024	March 31, 2023	March 31, 2022
Number of contract labour*	116	73	41

* *Computed as total man-days billed for a period divided by the number of days in that period.*

We incur certain contract labour charges for engaging workforce through independent contractors. The table below sets forth the contractual labour charges for the Fiscal stated:

Particulars	As of/ for the year ended					
	March 31, 2024		March 31, 2023		March 31, 2022	
	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations
Man power support cost	45.79	2.19	19.73	2.10	9.11	2.51

Although we do not engage a substantial portion of these labourers directly, we may be held responsible for any wage payments to these labourers in the event of default by our independent contractors. While the amount paid in such an event can be recovered from the independent contractor, any significant requirement to fund the wage requirements of the engaged labourers or delay in recovering such amounts from the contractors may have an adverse effect on our cash flows and results of operations. In addition, we may be required to absorb a number of such contract labourers as permanent employees pursuant to an order from a regulatory body or court which would increase our costs and decrease our flexibility to increase or decrease our workforce in response to changes in demand for our products. Furthermore, any upward revision of wages that may be required by the state government to be paid to such contract labourers would increase our costs and may adversely affect the business and results of our operations. While no such instance has occurred in the past, we cannot assure that such instances will not occur in the future.

If we are unable to obtain the services of skilled and unskilled workmen or at reasonable rates it may adversely affect our business and results of operations. In addition, our manufacturing process is dependent on a technology-driven production systems and any inability of the contract labourers to familiarize themselves with such technology could adversely affect our business and results of operations.

38. Our manufacturing operations are significantly dependent on the cooperation and continued support of our workforce, particularly our shop-floor employees and operating personnel. We may be subject to industrial unrest, slowdowns and increased employee costs, which may adversely affect our business and results of operations.

As of March 31, 2024, our workforce comprised 268 permanent employee on our pay roll and 116 contract basis.

Our employee benefits expense comprising payments made to all the personnel on our payroll and engaged in our operations (apart from contract labour), for Fiscals 2022, 2023 and 2024 is stated below:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations
Employee benefits expense	324.40	15.54	156.07	16.57	82.67	22.74

Our manufacturing operations are significantly dependent on the cooperation and continued support of our workforce, particularly our shop-floor employees and operating personnel. Strikes or work stoppages by our workforce at our manufacturing facilities could halt our production activities and disrupt our distribution channels which could impact our ability to deliver customer orders in a timely manner or at all, which could adversely affect the results of our operations and reputation. We do not have any labour unions at any of our manufacturing facilities and there have been no disruptions to our manufacturing operations in the last three Fiscals on account of labour-related disputes including strikes, lockouts, or collective bargaining arrangements. However, there can be no assurance that we will not experience work disruptions in the future due to disputes or other problems with our workforce.

Any such event, at our current facilities or at any new facilities that we may commission or acquire in the future, may adversely affect our ability to operate our business and serve our customers, and impair our relationships with certain key customers and suppliers, which may adversely impact our business and financial condition.

39. ***Our business and operations are subject to extensive environmental and other related regulations and policies and any onerous amendments to such regulations and policies may involve incurring added compliance costs. We also require certain licenses, permits and approvals under such laws and regulations in India in the ordinary course of business, and the failure to obtain or retain them in a timely manner may materially affect our operations.***

We are subject to environmental and related laws and regulations in the states in which we operate. We, like other manufacturers in India, are subject to various central, state and local environmental, health and safety laws and regulations concerning issues such as damage caused by air emissions, wastewater discharges, and solid and hazardous waste handling and disposal. For instance, we require approvals under the Water Act, the Air Act and the Hazardous Wastes Rules, in order to establish and operate our manufacturing units in India and are subject to inspections from the relevant authorities in order to maintain such approvals. Further, regulatory permits required for our operations may be subject to annual or periodic renewal and, in certain circumstances, modification or revocation. Certain material consents, licenses, registrations, permissions and approvals that are required to be obtained by our Company for undertaking its business may lapse in their normal course and our Company applies to the relevant central or state government authorities in the regular course for renewal of such licenses, consents, registrations, permissions and approvals. For details of the regulations applicable to our business, see "***Key Regulations and Policies in India***" and "***Government and other Approvals***" on page 202 and 330, respectively.

Breach or non-compliance with specified conditions may result in the suspension, withdrawal or termination of our approvals and registrations or the imposition of penalties by the relevant authorities. While there have been no past instances of suspension of the approvals, licenses, registrations or permits issued to us, in last three Financial Years, we cannot assure you that the approvals, licenses, registrations or permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension, cancellation or refusal to extend our approvals and registrations may require us to cease production at some or all of our manufacturing units (or may affect other aspects of our operations), which may have an adverse effect on our business, financial condition, results of operations and prospects. Further, there can be no assurance that we will be in complete compliance at all times with such laws, regulations and the terms and conditions of any consents or permits. We additionally cannot assure you that the sub-contractors or contractors operating on our manufacturing unit will be able to obtain and maintain relevant approvals for continuous operations of such facilities. If we violate or fail to comply adequately with these requirements, we could be fined or otherwise sanctioned by the relevant regulators. While we have not been fined or otherwise sanctioned in the last three Financial Years, any fines or sanctions in the future could adversely affect our business, reputation, financial condition or results of operations.

Furthermore, environmental laws and regulations, and the interpretation and enforcement thereof, are also subject to change and have tended to become stricter over time, in India and internationally, and may require us to make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition. Additionally, we may, from time to time, become involved in disputes involving compliance with environmental regulations, including disputes relating to our port operations. If any such disputes are decided against us, we may be subject to fines and other penalties, including suspension of our operations, cancellation of our approvals and undertaking remedial procedures.

40. ***We are dependent on our manufacturing facilities and any disruption, slowdown or shutdown of our manufacturing facilities may restrict our operations and adversely affect our business and financial condition.***

Our business is supported by our manufacturing capabilities, comprising of two manufacturing facilities in India. For further details on our manufacturing facilities, see "***Our Business – Installed Capacity and Capacity Utilization***" on page 197.

Our manufacturing facilities and operations are subject to the risks of breakdown and/or failure of equipment, disruption in electrical power or water resources, fire and industrial accidents, which may entail significant repair and maintenance costs. Furthermore, any disruptions, damage or destruction of our manufacturing facilities may severely affect our ability to meet our customers' demand which may lead to loss of any of our customers or a significant reduction in demand from such customers.

Also see "***- Internal Risk Factors - Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.***".

41. ***We need to maintain sufficient inventory levels to meet customer expectations at all times. Our inability to maintain appropriate levels of inventory to meet the demands of our customers may have an adverse effect on our results of operations and financial condition.***

We need to maintain sufficient inventory levels to meet customer expectations at all times. Accumulating excess inventory could increase our inventory costs, and a failure to have adequate inventory in stock to fulfil customer orders could result in inability to meet customer demand or loss of customers. For further details, see "***Management's Discussion And Analysis Of Financial Condition And Results Of Operations***" on page 298.

As actual orders by our customers are only placed by way of on-going purchase orders which are subject to refining/ phasing-out of existing models on an on-going basis, we are exposed to significant or unexpected changes in product specifications and delivery schedules, which may result in a mismatch between our inventories of raw materials and bought-out components and of manufactured products, thereby increasing our costs for maintaining inventory. Our inability to forecast the level of customer demand for our products as well as our inability to accurately schedule our raw material purchases and production and manage our inventory may adversely affect our business and cash flows from operations.

The table below sets forth our inventory as of the dates stated:

Particulars	**As of/ for the year ended**		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Inventories (₹ million)	197.33	157.72	47.24
Inventory Days*	101	218	163
**Inventory days are calculated as inventory as on March 31 of a Fiscal x 365/ cost of goods sold during such Fiscal*			

While we have not written off any inventory or experienced a significant mismatch in the past, there can be no assurance that such instances in the future will not have a material adverse effect on our liquidity, profitability and financial condition. Furthermore, we may be required to maintain high inventory levels if we anticipate increase in customer demand for our products, which in turn would require a significant amount of working capital. Continued increases in our working capital requirements may have an adverse effect on our results of operations and financial condition. For further details, see "-***Internal Risk Factors – Our business works on a longer gestation period wherein, there is considerable time gap between the receipt of order and the payment, thereby, affecting our working capital requirements and profitability of the business.***"

42. ***We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations and financial condition.***

Our business is capital intensive as we require significant capital to operate and expand our manufacturing facilities. Our historical capital expenditure has been and is expected to be primarily used towards the additions to buildings, plant and equipment. Historically, we have funded our capital expenditure requirements through a combination of internal accruals and term loans. Our capital expenditure which represents property, plant and equipment and capital work-in-progress (net) for Fiscals 2022, 2023 and 2024 are set out below in the respective tables:

Particulars	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
	Amount (₹ million)		
Property, Plant and equipment*	267.04	82.16	15.74
Capital Work-in-progress**	0.24	0.40	30.26
Total	267.28	82.56	46.00

* *Property, Plant and equipment is calculated as gross block of addition to the Property, Plant and equipment less deletion of gross block value of Property, Plant and equipment*

** *Capital Work-in-progress is the closing balance of Capital Work-in-progress*

The actual amount and timing 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, delay in obtaining regulatory approvals, economic conditions, engineering design changes, weather related delays, technological changes and additional market developments. Also see, " ***– Internal Risk Factors – Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.***"

Furthermore, we require a significant amount of working capital to maintain optimum inventory levels of raw materials, work-in-progress and finished goods as well as to offer credit to our customers, and fulfil our payment obligations towards our suppliers. The table below sets forth our working capital as of the dates stated:

Particulars	**As of March, 2024**	**As of March 31, 2023**	**As of March 31, 2022**
	Amount (₹ million)		
Working capital [1]	530.53	409.71	81.16
Working capital (in number of days) [2]	117	275	140

Notes:

1. *Working capital has been calculated as inventories plus trade receivables less trade payables*
2. *Working capital days is computed as Inventory days plus Trade receivable days minus Trade payable days. Inventory days is calculated as Inventory divided by cost of goods sold multiplied by 365 days. Trade receivables days is calculated as Trade receivables divided by revenue from operations multiplied by 365 days. Trade payable days is calculated as Trade payable divided by purchases multiplied by 365 days.*

Our working capital requirements may increase if payment terms in our agreements lead to reduced advance payments from our customers or longer payment schedules, and we may need to raise additional capital from time to time to meet these requirements. While we do not anticipate seeking additional working capital financing in the immediate future, an inability to do so on terms acceptable to us could adversely affect our business operations.

Our sources of additional financing, whether required to meet our capital expenditure plans or working capital requirements, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, would result in a dilution of your shareholding. For details in relation to the terms of our existing financing arrangements, see "***Financial Indebtedness***" on page 294.

43. ***Our business requires significant amounts of working capital. We may not be able to obtain future financing on favorable terms or at all or furnish bank guarantees in the future. If we experience insufficient cash flows from our operations or are unable to borrow funds to meet our working capital requirements or breach any of our guarantee obligations, it may materially and adversely affect our business and results of operations.***

Our business requires significant amount of working capital primarily because there is a significant time gap between when we make payments to our vendors and personnel, and when we receive payments from our customers. Consequently, there could be situations where the total funds available to us 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. Our total outstanding borrowings as on March 31, 2024 were ₹ 288.56 million (non-current and current borrowings), on a consolidated basis. Our Company intends to utilize ₹ 252.85 million from the Net Proceeds to fund working capital requirements of our Company in Fiscal 2026 and 2027 and our Material Subsidiary intends to utilize ₹ 447.15 million from the Net Proceeds to fund working capital requirements of our Company in Fiscals 2026 and 2027, which, we believe, will help us in achieving the proposed targets as per our business plan. For details, *"**Objects of the Offer**"* on page 101. If our cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. As we pursue our growth plan, we expect that we will have to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. However, our ability to arrange financing and the cost of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, 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. In addition, incurring indebtedness would subject us to increased debt service obligations and could result in operating and financial covenants that would restrict our operations.

Our Company is also required to furnish bank guarantees in the ordinary course of business in relation to the fulfilment of provisions of certain of our contracts, as and when required. Additionally, from time to time, our Company has provided corporate guarantees to banks on behalf of our Subsidiaries. In the event that any such bank guarantees are invoked and if we are unable to meet our guarantee requirements, then legal proceedings may be initiated against us, or we may incur additional costs. While we have not defaulted in the payment of any of our borrowings including bank guarantees, we cannot assure you that we will not default in future. The table set forth below states the Bank Guarantees given:

Bank Guarantee	Date of issue	Expiry date	Amount (in ₹)
Bank Guarantee 1	April 26, 2022	August 20, 2026	70,29,000
Bank Guarantee 2	October 12, 2018	October 31, 2024	3,80,520
Bank Guarantee 3	August 8, 2023	July 16, 2025	2,93,810
Bank Guarantee 4	August 10, 2023	January 16, 2026	2,93,810
Bank Guarantee 5	November 8, 2023	July 15, 2025	50,693

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. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations and financial condition. For further information on the working capital facilities currently availed of by us, see "***Financial Indebtedness***" on page 294.

44. *We have entered into certain credit facilities that are repayable on demand. Any unexpected demand for repayment of such facilities by the lenders or failure to comply with any obligations under financing agreements may adversely affect our business, financial condition, cash flows and results of operations.*

Some of our borrowings such as cash credit facilities, letters of credit and bank guarantees are drawn on facilities that are repayable on demand in accordance with their respective terms. Our borrowings payable on demand include, unsecured borrowings that are payable in demand outstanding to ₹ 110.22 million into working capital facilities and ₹178.33 million into term loans as of March 31, 2024.

For further details, see "***Financial Indebtedness – Principal terms of the facilities sanctioned to our Company and our Material Subsidiary – Tenor and repayment***" on page 295. Any failure to service such indebtedness, comply with a requirement to obtain lender consent or otherwise perform such obligations under such financing agreements (including unsecured borrowings) may lead to such borrowing being repayable on demand, termination of one or more of our credit facilities or penalties and acceleration of amounts due under such credit facilities, which may adversely affect our business, financial condition, results of operations and prospects. While there have been no instances in the past of any loans or facilities being recalled by lenders, nor a failure to comply with covenants in financing agreements, we cannot guarantee that we will be able to service our loans or comply with such covenants or other covenants in the future.

45. *We are exposed to foreign currency exchange rate fluctuations as on date of this Draft Red Herring Prospectus, our Company does not have a hedging policy in place and hence, we may not be able to hedge our risk exposures, particularly during volatile interest rate environments which may have an adverse effect on our results of operations and profitability, independent of our operating results.*

Our financial statements are presented in Indian Rupees. However, our expenditure and revenue are influenced by the currencies that we export in as well as by currencies of countries from where we procure our raw materials and plant and machinery. For the year ended March 31, 2024, the revenue from operations on consolidated basis from customers attributed to our Company's country of domicile i.e. India amounted to only ₹ 49.26 million, reflecting only 2.36% of our revenue from operations on consolidated basis. The following table sets out our revenue from operations on a consolidated basis by geographical spread for the financial years / periods indicated:

(₹ million, except percentages)

Geography	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations
India	49.26	2.36	45.21	4.80	32.48	8.93
United States	1,924.57	92.19	724.18	76.91	277.64	76.38

Geography	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations
Germany	113.41	5.43	172.18	18.28	51.50	14.17
United Kingdom	Nil	Nil	Nil	Nil	0.91	0.25
Others	0.50	0.02	0.09	0.01	0.96	0.27
Total	**2087.75**	**100.00**	**941.66**	**100.00**	**363.49**	**100.00**

The exchange rate between the Indian Rupee and these currencies has fluctuated in the past and our results of operations have been impacted by such fluctuations and may be impacted by such fluctuations in the future. Appreciation or depreciation of the Indian rupee against the U.S. Dollar and other foreign currencies may affect our results of operations. As on date of this Draft Red Herring Prospectus, our Company does not have a hedging policy in place and hence, we may not be able to hedge our risk exposures, particularly during volatile interest rate environments which might expose our business to significant financial risks.

46. 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.

We have, from time to time, entered into various transactions with related parties. The table below sets forth the total amount of our related party transactions in the ordinary course of business for the Fiscal stated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	% of total income	Amount (₹ million)	% of total income	Amount (₹ million)	% of total income
Total related party transactions	105.83	4.95	49.39	5.20	18.09	4.66

For information on all our related party transactions, see "***Restated Consolidated Financial Information – Note 35 – Related Party Disclosures – Particulars of transactions with related parties***" on page 279.

The transactions with related parties have been conducted in the ordinary course of business and on an arm's length basis, in accordance with applicable laws, and are not prejudicial to the interest of our Company. It is likely that we will continue to enter into related party transactions in the future. Some of these transactions may require significant capital outlay and there can be no assurance that we will be able to make a return on these investments. Although all related-party transactions that we may enter into will be subject to Audit Committee, Board or shareholder approval, as may be required under the Companies Act, 2013 and the SEBI Listing Regulations, as applicable, we cannot assure you that such transactions, individually or in the aggregate, will perform as expected/ result in the benefit envisaged therein, or that we could not have undertaken such transactions on more favorable terms with any unrelated parties. There can be no assurance that conflicts of interest will not arise which could negatively impact our business and prospects. Further, there can be no guarantee that we will be able to address any such conflicts of interest, that may arise in the future, in our favour.

47. We may incur contingent liabilities in future which could adversely affect our financial condition.

As of March 31, 2024, our Restated Consolidated Financial Information do not disclose any contingent liabilities.

While we currently have no disclosed contingent liabilities, there can be no assurance that we will not incur such liabilities in the future. The occurrence of unforeseen events or circumstances could result in contingent liabilities materializing, which could have an adverse effect on our business, financial condition and results of operations.

48. We are entitled to certain tax and export benefits which are subject to the policies and decisions of the Government of India.

Certain special tax benefits are available to our Company and our shareholders, including (i) direct tax benefits such as lower corporate tax rate on income of domestic companies, deductions in respect of employment of new employees, inter-corporate dividends, expenditure towards business expansion, set-off of losses; and (ii) indirect tax benefits such as remission of duties and taxes on exported products and export promotion capital goods. For further details, please see "***Statement of Special Tax Benefits***" on page 134.

Our profitability will be affected to the extent that such benefits will not be available beyond the periods currently contemplated. Our profitability may be further affected in the future if any of such benefits are reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits or in the event we are unable to comply with the conditions required to be complied with in order to avail ourselves of each of these benefits. While there have been no material reductions or premature withdrawals of such tax benefits in the last three Fiscals, if any adverse development, whether or not attributable to applicable law or the manner of its implementation, affects our ability to benefit from these tax incentives, our business, financial condition, results of operations and prospects may be adversely affected.

49. ***If we inadvertently infringe upon the intellectual property rights of others, our business and results of operations or if third parties infringe upon our intellectual property rights, the profitability and reputation of our Company may be adversely affected.***

While we seek to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing on any existing third-party intellectual property rights. Non-compliance with the intellectual property rights of others may force us to alter our technologies, obtain licenses, or cease some of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be required to obtain a license, modify our existing technology or cease the use of such technology and design a new non-infringing technology. Such licenses or design modifications can be extremely costly. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, which settlement could be costly. We may also be liable for any past infringement. Any of the foregoing could adversely affect our business, results of operations and financial condition.

While we seek to protect our intellectual property rights, policing unauthorized use of intellectual property rights is difficult and sometimes practically infeasible, there is no assurance that the steps we have currently taken will prevent misappropriation or infringement of our intellectual property rights. While we will be able to take legal action against such manufacturer and avail damages, such instances could create negative perception of our brand and impact our reputation and operations. Any misappropriation or infringement could materially and adversely affect our results of operations and financial condition.

In addition, in certain cases, our customers share their intellectual property rights in the course of the product development process that we carry out for them. We are bound by confidentiality obligations under our non-disclosure agreements with our customers to protect their intellectual property, including in relation to technical data such as product designs and drawings shared with us. Although in the past there has been no breach or misuse of intellectual property or proprietary data, an inadvertent breach or any misuse of intellectual property or proprietary data by any of our employees or sub-contractors may expose us to expensive infringement claims and may diminish our goodwill and reputation among our customers, suppliers, lenders, investors and the public, making it difficult for us to operate our business and compete effectively.

50. ***We are subject to stringent labour laws or other industry standards and any kind of disputes with our employees could adversely affect our business, results of operations, financial condition and cash flows.***

We are subject to a number of stringent labour laws. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution, employee removal and for imposing financial obligations on employers in the event of retrenchment of workers. We are also subject to state and local laws and regulations, in all jurisdictions where we have operations, governing our relationships with our employees, including those relating to minimum wage, overtime, working conditions, hiring and firing, non-discrimination, work permits and employee benefits.

The Government of India enacted the Code on Wages, 2019, the Occupational Safety, Health and Working Conditions Code, 2020 and the Industrial Relations Code, 2020, all the provisions of which will be brought into force on a date to be notified by the Central Government. For details, see "***Key Regulations and Policies in India***" on page 202. These codes propose to subsume several existing laws and regulations in India and we cannot assure you that these codes will not impose more stringent or additional compliance requirements on us, which may increase our compliance costs. We may also be subject to changing judicial interpretation of the relevant statutes. For instance, the Supreme Court of India in a recent judgment has upheld the circular dated March 20, 2019 issued by the Employees' Provident Fund Organisation, which excludes certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the EPF Act. We cannot assure you that we will not be adversely affected by similar developments in the future. We have also in the past entered into bonus settlement agreements under the Industrial Disputes Act, 1947, as amended, with our workmen at various manufacturing facilities, which stipulate bonus rates for the relevant Fiscal that we are required to pay.

If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows.

Furthermore, in order to retain flexibility and control costs, we appoint independent contractors who, in turn, engage on-site contract labour to perform certain operations. Although we do not engage these labourers directly, in the event of default by any independent contractor, we may be held responsible for providing statutory benefits, including wages to these labourers if the independent contractors fail to do so. If we are required to pay the wages of the contracted employees, our results of operations and financial condition could be adversely affected. In addition, we may be required to absorb a number of such contract labourers as permanent employees pursuant to an order from a regulatory body or court which may have an adverse effect on our financial condition. Furthermore, any upward revision of wages that may be required by the state government to be paid to such contract labourers or the unavailability of the required number of contract labourers, may adversely affect the business and future results of our operations.

51. ***We depend on the skills and experience of our Promoters, Key Managerial Personnel, Senior Management and employees with technical expertise for our business and future growth. If their involvement in our business reduces in the future, we may be unable to implement our plans as anticipated or maintain administrative control as we currently do, which in turn could adversely affect our business, results of operations, financial condition and prospects.***

We benefit from the strategic guidance of each one of our Promoters, who are also our Directors. If their involvement in our business reduces in the future, we may be unable to implement our plans as anticipated or maintain administrative control as we currently do, which in turn could adversely affect our business, results of operations, financial condition and prospects. For further information, see "***Our Management – Brief Profile of our Directors***" on page 218.

Furthermore, our future performance will also depend on the continued service of our Key Managerial Personnel and Senior Management and persons with technical expertise, and the loss of any such employee and the inability to find an adequate replacement may impair our relationship with our customers and our level of technical expertise, which may adversely affect our business, results of operations, financial condition and prospects. For details of our Board, Key Managerial Personnel and Senior Management, see "***Our Management – Key Managerial Personnel*** *and* ***"Our Management- Senior Management***" on page 233.

In addition, our success in expanding our business will also partly depend on our ability to attract, retain and motivate mid-to-senior management personnel and engineers. We cannot assure you that we will be able to retain our staff or find adequate replacements in a timely manner, or at all. Competition for skilled personnel in the automotive component manufacturing industry is intense, and we may need to increase our levels of employee compensation, including share-based compensation, to attract and retain our staff. Even if we were to offer higher compensation and other benefits, there is no assurance that these individuals will continue to work for us or that we will successfully attract new talent.

The table below sets forth consolidated information on our attrition rates for the Fiscal stated:

Particulars	**As of/ for the year ended**		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Key Managerial Personnel and Senior Management			
Number of Key Managerial Personnel and Senior Management	1	Nil	Nil
Attrition Rate (Key Managerial Personnel including Senior Management)	0	0	0
Total staff			
Total staff employed (Company)	82	86	65
Attrition Rate	3.46%	5.62%	4.62%
Total staff employed (Subsidiaries)	181	127	68
Attrition Rate	5.16%	3.61%	4.41%

We may also require significant time to hire and train replacement personnel when skilled personnel terminate their employment with us. The loss of the services of our staff could adversely affect our business, results of operations and financial condition.

52. ***Our Promoters, who are also our Directors, and members of our Promoter Group will continue to hold a significant equity stake in our Company after the Offer and their interests may differ from those of the other shareholders.***

As of date of this Draft Red Herring Prospectus, our Promoters, who are also our Directors, and Promoter Group hold the majority of our paid-up equity share capital of our Company. For details, see "***Capital Structure***" on page 87. Our Promoters and members of our Promoter Group will therefore have the ability to influence our operations significantly. This will include the ability to appoint Directors to our Board and the right to approve significant actions at Board and Shareholders' meetings including issue of Equity Shares, payment of dividends, determining business plans and mergers and acquisitions strategies. Furthermore, if, in the future, our Promoters and members of our Promoter Group are unwilling to dilute their equity stake in our Company and do not, or are unable to, fund us, our growth may be affected. In addition, the trading price of the Equity Shares could be materially adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in the hands of our Promoters.

For more details, see "***Our Management***", "***Our Promoters and Promoter Group***" and "***Our Group Company***" on pages 215, 235, and 240, respectively.

53. Our Company will not receive any proceeds from the Offer for Sale.

The Offer comprises of Fresh Issue of Equity Shares by the Company and Offer for Sale by the Selling Shareholders. The Selling Shareholders will receive the entire proceeds from the Offer for Sale (after deducting applicable Offer expenses) and our Company will not receive any part of the proceeds from the Offer for Sale by Selling Shareholders. For further information, see "***The Offer***" and "***Objects of the Offer***" on pages 71 and 101, respectively.

54. Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior Shareholders' approval. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

While we intend to utilize a portion of the Net Proceeds for: (i) Purchase of machineries & equipment by our Company; (ii) Funding working capital requirements of our Company; (iii) Investment in our Material Subsidiary for: (a) purchase of machineries & equipment; (b) funding its working capital requirements; and (c) repayment / prepayment, in full or part, of certain borrowings availed by our Material Subsidiary; and (iv) general corporate purposes, at this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining Shareholders' approval through a special resolution. In the event any circumstances arise that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Furthermore, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on the Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. There can be no assurance that the Promoters or the controlling shareholders of our Company will always have adequate resources at their disposal to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Fresh Issue, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation 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.

55. Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures, financial condition and restrictive covenants of our financing arrangements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company's shareholders consistent with our past practices, or at all.

Our Company did not declare any dividend for Fiscal 2022, Fiscal 2023 and Fiscal 2024. Our Board of Directors has approved and adopted a dividend policy in their meeting held on August 7, 2024. Any dividends to be declared and paid in the future are required to be recommended by our Company's Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013, as amended.

For further information, see "***Dividend Policy***" on page 241, the amount of our future dividend payments, if any, will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, restrictive covenants of our financing arrangements, applicable Indian legal restrictions and other factors.

Further, Innomech is situated in the Aerospace SEZ in Devanahalli, Bengaluru and avails certain tax benefits, in terms of which Innomech is restricted from declaring any dividends until expiry of the tax benefit period. For further details, please see "***Statement of Tax Benefits***" on page 134. The inability of Innomech to pay dividends restricts our ability to receive dividends and, consequently, impact our cash flow and overall financial condition including our capability to declare dividends.

We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company's shareholders consistent with our past practices, or at all. We may decide to retain all of our future earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter into. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. As a result, we may not declare dividends in the foreseeable 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.

56. ***If there is deterioration in the reputation and market perception of our brand image, or if our sales and marketing efforts are ineffective, it could adversely affect our sales, profitability and the implementation of our growth strategy.***

Our brand image and reputation are among our important assets, and the performance and quality of products are critical to the success of our business. Our brand image is primarily relevant to us in the aerospace sector. The success of our products in the sector depends on the effectiveness of the product design, quality of the raw materials and bought out components, quality control systems, installation and after sales service, which in turn, depend on the skills and experience of our personnel, the quality of our training program, and our ability to ensure that such personnel adhere to our policies and guidelines. While there have been no such instances of deterioration in our brand image and reputation in the past, any adverse change in the quality of products rendered by us including due to reasons beyond our control, or allegations of defects, even when false, at any of our manufacturing facilities could tarnish our brand image, result in negative reviews and feedback from our customers. See, "***Our Business***" on page 180 for further details.

Furthermore, our brand building also depends on the effectiveness of sales and promotional activities and choice of channel partners. There can be no assurance that our efforts in these areas would always be effective. Any adverse development or decline in our brand value and reputation may adversely affect our business, results of operations and financial condition.

57. ***We may not be successful in penetrating new export markets which may have an adverse impact on our business, financial condition, results of operations and future prospects.***

The majority of our revenue from operations is derived from the export markets. The following table sets out our revenue from operations by geographical spread for the financial years / periods indicated:

(₹ million, except percentages)

Geography	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations
India	49.26	2.36	45.21	4.80	32.48	8.93
United States	1,924.57	92.19	724.18	76.91	277.64	76.38
Germany	113.41	5.43	172.18	18.28	51.50	14.17
United Kingdom	Nil	Nil	Nil	Nil	0.91	0.25
Others	0.50	0.02	0.09	0.01	0.96	0.27
Total	**2087.75**	**100.00**	**941.66**	**100.00**	**363.49**	**100.00**

While we intend to continue our focus on expanding our export sales, we face various challenges in our expansion into new export markets, including the lack of familiarity with the economic conditions of these new markets and lack of brand recognition and reputation in the new markets. The risks involved in entering new geographic markets and expanding operations may be higher than expected, and we may face significant competition in such markets. In the event we are unable to successfully expand into new geographical regions, our growth plans and future performance may be adversely affected. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices, exposure to risks of expropriation or other government actions and political, economic and social instability.

58. ***We may not be able to detect or prevent fraud or other misconduct committed by our employees or third parties.***

Fraud or other misconduct by our employees, such as unauthorized business transactions, leaking of confidential information especially in relation to products under development, bribery and breach of any applicable law or our internal policies and procedures, or by third parties, such as breach of law may be difficult to detect or prevent. It could subject us to financial loss and sanctions imposed by government authorities while seriously damaging our reputation. While we have not experienced any material instances of fraud or other misconduct in the past, we cannot assure you that fraud or other misconduct will not occur in the future. In such event, our ability to effectively attract prospective stakeholders, obtain financing on favorable terms and conduct other business activities may be impaired.

Our risk management systems, information technology systems and internal control procedures are designed to monitor our operations and overall compliance. However, we cannot assure you that that the measures we have implemented to detect and reduce the occurrence of fraudulent activities would be effective in combating fraudulent transactions or improving overall satisfaction among our stakeholders. Therefore, we are subject to the risk that fraud or other misconduct may have previously occurred but remains undetected or may occur in the future. From time to time, we have received various communications, including, anonymous communications in the nature of whistleblower complaints. While there have been no such instance in the past, there can be no assurance that such instances do not happen in the future. As on the date of this Draft Red Herring prospectus, there are no outstanding whistleblower complaints in our Company's records. However, any such concerns or complaints in the future may adversely affect our business, reputation, financial condition, operations and prospects. Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time due to evolving business conditions. In the past three Fiscals, our internal controls have not been subject to any major deficiencies. However, we cannot assure you that deficiencies in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any such deficiencies could materially and adversely affect our business, reputation, financial condition and prospects.

59. ***Our Company has prepared financial statements under Indian Accounting Standards. Significant differences exist between Indian Accounting Standards and other accounting principles.***

Our financial statements, including the financial statements provided in this Draft Red Herring Prospectus, have been prepared in accordance with Indian Accounting Standards ("**Ind AS**") (including the Ind AS 116) and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations. We have not attempted to quantify the impact of IFRS, U.S. GAAP or any other system of accounting principles on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS, U.S. GAAP or any other accounting principles. IFRS and U.S. GAAP differ in certain respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. In addition, some of our competitors may not present their financial statements in accordance with Ind AS and their financial statements may not be directly comparable to ours, and therefore reliance should accordingly be limited.

60. ***This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, Frost & Sullivan, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks.***

This Draft Red Herring Prospectus includes information derived from a third-party industry report dated August 17, 2024, titled "Overview of Global Tooling & PEC Market" prepared by Frost & Sullivan (India) Private Limited pursuant to an engagement with our Company. All such information in this Draft Red Herring Prospectus indicates the Frost & Sullivan Report as its source.

While Frost & Sullivan (India) Private Limited is an independent agency and neither our Company, nor our Directors, Promoters or any Subsidiaries are its related parties (in terms of the Companies Act, 2013 and the SEBI Listing Regulations), our Company commissioned and paid for the Frost & Sullivan Report exclusively for the purpose of confirming our understanding of the industry in which we operate in connection with the Offer. We officially engaged Frost & Sullivan in connection with the preparation of the Frost & Sullivan Report pursuant to an engagement letter dated March 20, 2024. Accordingly, any information in this Draft Red Herring Prospectus derived from, or based on, the Frost & Sullivan Report should be read taking into consideration the foregoing.

The Frost & Sullivan Report uses certain methodologies for market sizing and forecasting and may include numbers relating to us that differ from those we record internally. There are no standard data gathering methodologies in the markets in which we operate, and methodologies and assumptions vary widely among different industry sources. Furthermore, 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. Industry sources do not guarantee the accuracy, adequacy or completeness of the data. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. Furthermore, the Frost & Sullivan Report is not a recommendation to invest/ disinvest in any company covered in the Frost & Sullivan Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the Frost & Sullivan Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the Frost & Sullivan Report before making any investment decision regarding the Offer. See "***Industry Overview***" on page 141. For the disclaimers associated with the Frost & Sullivan Report, see "***Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation –Industry and Market Data***" on page 23.

61. ***This Draft Red Herring Prospectus contains certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These non-GAAP measures and statistical***

information may vary from any standard methodology that is applicable across the manufacturing industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other manufacturing companies.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of manufacturing companies, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other manufacturing companies. For further details, see "***Management's Discussion And Analysis Of Financial Condition And Results Of Operations – Non-GAAP Measures***" on page 298.

External Risk Factors

62. Political, economic or other factors including but not limited to any changes in laws, rules and regulations and legal uncertainties that are beyond our control may have an adverse impact on our business, results of operations, financial condition and cash flows.

External risks may have an adverse impact on our business, results of operations, financial condition and cash flows, should any of them materialize. For instance, (i) an increase in interest rates may adversely impact our access to capital and increase our borrowing costs; (ii) a sustained period of high inflation may increase our employee costs and decrease demand for our products and services, which may have an adverse effect on our profitability and competitive advantage; (iii) a downgrade of India's sovereign rating by international credit rating agencies may adversely impact our access to capital and increase our borrowing costs; (iv) a change in tariff and non-tariff barriers in countries where we import raw materials and export our products may affect our financial condition; (v) a decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy as well as the valuation of the Indian Rupee; (vi) political instability, resulting from a change in government or in economic and Fiscal policies, may adversely affect economic conditions in India; (vii) the occurrence of natural or man-made disaster or epidemic or pandemic such as Covid-19 may adversely affect economic conditions in India; and (viii) civil unrest, acts of violence, terrorist attacks, regional conflicts or situations of war may adversely affect the financial markets, which may impact our business and financial condition. For example, in February 2022, Russia commenced military operations in Ukraine, and the conflict is currently on-going as of the date of this Draft Red Herring Prospectus.

Lastly, changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, which may adversely affect our business, results of operations, financial condition and prospects. Further, the Government of India has recently announced the Union Budget for the Financial Year 2025 ("**Budget**") and further notified the Finance Bill, 2024.Pursuant to the Budget, the Finance Bill, 2024, inter alia, proposes to amend the capital gains tax rates with effect from the date of announcement of the Budget. However, the Finance Bill, 2024 has not yet been enacted into law. We have not fully determined the impact of these recent and proposed laws and regulations on our business. As such, there is no certainty on the impact that the Finance Act, 2022 may have on our business and operations or on the industry in which we operate.

63. Various challenges currently faced by the aerospace and defence industry may adversely affect our business, results of operations and financial condition.

Our business is affected by various challenges currently faced by the aerospace and defence industry from European and American market, including the supply chain disruptions, rising material costs, rapid pace of technology change, workforce challenges. We face competition from established European and American manufacturers with strong production capabilities. In addition, our business, results of operations and cash flows may be adversely affected by other factors that affect the broader aerospace and defence industry industry, such as: strict regulatory compliance and export controls, geopolitical tensions between India and other countries including Europe and America, change in quality standards and certifications requirements, technological advancements and innovations, supply chain disruptions, currency fluctuations, market competition, changes in political leadership and trade policies in Europe and America, changes in environmental and sustainability regulations. While we seek to mitigate such risks by taking appropriate actions in response to such changes, we cannot assure you that we will be successful in doing so. Any failure by us to effectively address these and other factors could have a material adverse impact on our business, financial condition, results of operations and prospects.

64. A slowdown in economic growth in other countries and jurisdictions, such as Europe, United States, United Kingdom could cause our business to suffer.

The Indian financial markets and economy are influenced by market and economic conditions in other countries, including conditions in the United States, Europe, and certain emerging economies in Asia. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and us. Furthermore, concerns relating to trade wars between large economies such as the United States of America and China may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there still remains significant uncertainty around the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets.

65. If inflation rises in India, increased costs may result in a decline in profits.

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. 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 customers, whether entirely or in part, and may adversely affect our business and financial condition. While the Government of India has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect. There can be no assurance that inflation in India will not worsen.

66. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or Fiscal policy or a decline in India's foreign exchange reserves, all of which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse reactions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

67. Changes in trade policies may affect us.

Any change in policies by India or by the other countries, in terms of tariff and non-tariff barriers, from which our suppliers import their raw materials, components and/or countries to which we export our products, may increase our operating costs, reduce our margins and make it more difficult for us to compete in the Indian and overseas markets, and our business, financial condition and results of operation could be severally impacted.

68. Foreign currency exchange rate fluctuations may have an adverse effect on net dividends to foreign investors.

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 that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the 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 trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

69. The average cost of acquisition of Equity Shares by the Selling Shareholders including our Promoters could be lower than the floor price of the IPO Price Band.

The Selling Shareholder's (including our Promoter) average cost of acquisition of Equity Shares in our Company may be lower than the floor price of the IPO Price Band as may be decided by our Company acting through the IPO Committee, in consultation with the BRLMs. For further details regarding average cost of acquisition of Equity Shares by our Promoter and the Selling Shareholders in our Company and built-up of Equity Shares by our Promoter in our Company, please refer to "***Capital Structure***" on page 87.

70. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.

The Offer Price of the Equity Shares will be determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, and through the Book Building Process. This price will be based on numerous factors, as described under "***Basis for Offer Price***" on page 121 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of equity shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and business partners;
- future sales of the Equity Shares by our Company or our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting Fiscal, industrial or environmental regulations;
- results of operations that vary from the expectations of securities analysts and investors;
- fluctuations in stock market prices and volume;
- the public's reaction to our press releases and adverse media reports; and
- general economic and stock market conditions.

The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Offer Price.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Similarly, Retail Individual Investors can revise or withdraw their Bids at any time during the Bid/Offer Period and until the Bid/Offer Closing Date, but not thereafter. Therefore, QIBs and Non-Institutional Investors will not be able to withdraw or lower their Bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations or otherwise at any stage after the submission of their Bids.

72. ***The Equity Shares have never been publicly traded and after the Offer, the Equity Shares may experience price and volume fluctuations and an active trading market for the Equity Shares may not develop, which may mean you may be unable to resell your Equity Shares at or above the Offer Price, or at all.***

There has been no public market for the Equity Shares of our Company prior to this Offer and an active trading market for the Equity Shares may not develop or be sustained after this Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Furthermore, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Offer.

The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may fluctuate after this Offer as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the automotive industry and changing perceptions in the market about investments in general and our Company including adverse media reports on us or changes in the estimates of our performance or recommendations by financial analysts.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could mean that you may be unable to resell your Equity Shares at or above the Offer Price, or at all.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is 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 may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether STT is paid, the quantum of gains and any available treaty exemptions. Furthermore, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India.

Furthermore, if non-resident shareholders of entities holding the Equity Shares exit by way of sale or redemption of the shares held by them, such non-resident shareholders could be taxed on capital gains in India if the offshore shares derive substantial value from Indian assets, subject to certain exemptions.

Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument ("**MLI**"), if and to the extent applicable, and the seller is entitled to avail benefits thereunder. 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.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. 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. Furthermore, provisions of the MLI have effect on India's tax treaties, including tax rates specified therein, from Fiscal 2021 onwards where the other country has also ratified the MLI and notified the relevant tax treaty as a Covered Tax Agreement.

General Anti-Avoidance Rules ("**GAAR**") seeks to deny the tax benefit to any arrangement, whose main purpose is to obtain a tax benefit, subject to the satisfaction of certain tests. If GAAR provisions are invoked, the tax authorities have wide powers, including cancellation of a proposed transaction or ignoring the impact of a transaction undertaken by our Company, denial of tax benefit under the IT Act, denial of a benefit available under a tax treaty, etc.

Similarly, any business income realised from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller.

Furthermore, the Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, results of operations, financial condition and cash flows.

74. Any future issuance of Equity Shares or convertible securities or other equity linked instruments by us may dilute your shareholding, and significant sales of Equity Shares by our Promoters or major Shareholders, may adversely affect the trading price of the Equity Shares.

Any future equity issuances by us, including a primary offering or convertible securities or other equity linked instruments, may lead to the dilution of investors' shareholdings in our Company and may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for us including difficulty in raising debt-financing. In addition, any perception by investors that such issuances or sales might occur may also affect the trading price of our Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our Promoters 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 further Equity Shares or that our Promoters will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares.

75. As a publicly listed company, we will be subject to additional compliance requirements and increased scrutiny. The majority of our Directors do not have any prior experience in directorship of listed entities, which may affect our ability to meet such additional compliance requirements.

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. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. Further, we will need to maintain and improve the effectiveness of our disclosure controls and procedures, and our internal controls over financial reporting, including keeping adequate records of daily transactions. In order to do this, significant resources and management attention will be required. While certain of our Directors are or have previously been directors on the boards of listed entities, the majority of our Directors do not have any prior experience of directorship in listed entities. Consequently, additional management attention may be required to ensure compliance with the requirements associated with publicly listed companies. Further, we may need to hire additional personnel with appropriate experience and technical knowledge to ensure that we meet these additional requirements, which may require us to incur additional expenses. We cannot guarantee that we will be able to hire such personal in a timely or efficient manner.

76. ***You will not be able to sell any of the Equity Shares you purchase in the Offer on the Stock Exchanges until the Offer receives the appropriate trading approvals.***

The Equity Shares will be listed on BSE and NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant and listing is expected to commence within the period as may be prescribed under applicable law. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose their Equity Shares. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods prescribed under law.

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 the Stock Exchanges have introduced various pre-emptive surveillance measures in order to enhance market integrity and safeguard the interests of investors, 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, enhance the integrity of the market and safeguard the interest of the investors, 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.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes, and a large concentration of client accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. In the event our Equity Shares are subject to such surveillance measures implemented by the Stock Exchanges, we may be subject to certain additional restrictions in connection with 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 trading market for our Equity Shares. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.

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

The requirements of being a listed company may strain our resources. We are not a listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

79. ***Foreign investors are subject to foreign investment restrictions under Indian law, which may adversely affect the market price of the Equity Shares.***

Under the exchange control regulations currently in force in India, transfers 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 is not in compliance with such requirements or falls under any of the exceptions specified by the RBI, then the approval of the RBI will be required. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the Indian income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all.

Furthermore, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a 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 GoI, as prescribed in the Consolidated FDI Policy 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 on any particular term or at all.

For further information, see "***Restrictions on Foreign Ownership of Indian Securities***" on page 376.

80. Foreign investors may have difficulty enforcing judgments against us or our management.

We are a limited liability company incorporated under the laws of India. The majority of our Directors and executive officers are residents of India. A substantial portion of our Company's assets and assets of our Directors and executive officers are located in India. As a result, it may be difficult for investors to effect service of process outside India on us or on such directors or officers or to enforce judgments against them obtained from courts outside India, including judgments predicated on the civil liability provisions of foreign securities laws.

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 from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 ("**Civil Code**"). The United States of America and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States of America, for civil liability, whether or not predicated solely upon the general securities laws of the United States of America, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, Singapore, UAE, and Hong Kong have been declared by the Government of India to be reciprocating territories for the purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on 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 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. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States of America or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court will award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded are excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

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

Under the Companies Act, a company having share capital and incorporated in India is required to offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such resolution. However, if the laws of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

82. 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 a shareholder of an entity in another jurisdiction.

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

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

SECTION III – INTRODUCTION

THE OFFER

The details of the Offer are summarised below:

Offer[(1)]*	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 5,000.00 million
of which:	
(i) Fresh Issue[(1)]	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 2,500.00 million
(ii) Offer for Sale[(1)(2)]	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 2,500.00 million
Including	
Employee Reservation Portion[(3)]	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹[●] million
Accordingly,	
Net Offer	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ [●] million
of which:	
A) QIB Portion[(4)(5)]	Not more than [●] Equity Shares of face value of ₹ 5 each
of which:	
Anchor Investor Portion[(5)]	Up to [●] Equity Shares of face value of ₹ 5 each
Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares of face value of ₹ 5 each
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares of face value of ₹ 5 each
Balance of the Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares of face value of ₹ 5 each
B) Non-Institutional Portion[(7)]	Not less than [●] Equity Shares of face value of ₹ 5 each
of 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	[●] Equity Shares
Two-thirds of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1.00 million	[●] Equity Shares
C) Retail Portion[(6)]	Not less than [●] Equity Shares of face value of ₹ 5 each
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus)	47,672,170 Equity Shares of face value of ₹ 5 each
Equity Shares outstanding after the Offer	[●] Equity Shares of face value of ₹ 5 each
Use of Net Proceeds	See "***Objects of the Offer***" on page 101 for details regarding the use of Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

** Subject to finalisation of Basis of Allotment.*

(1) The Offer has been approved by our Board pursuant to their resolution dated July 3, 2024, and our Shareholders have authorised the Fresh Issue pursuant to a special resolution dated July 3, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated August 7, 2024.

*(2) Each of the Selling Shareholders have confirmed and authorised its participation in the Offer for Sale in relation to the Offered Shares. Each of the Selling Shareholders has, severally and not jointly, confirmed that the Offered Shares have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations or are otherwise eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations. The details of such authorisation and consent are provided in the "**Material Documents and Contracts for Inspection" and "Other Regulatory and Statutory Disclosure"** sections at pages 395 and 334 of this Draft Red Herring Prospectus, respectively.*

(3) The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. In the event of under subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 0.20 million (net of Employee Discount), subject to the maximum value of Allotment

*made to such Eligible Employees not exceeding ₹ 0.50 million (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹ 0.50 million, net of Employee Discount), shall be added to the Net Offer. Our Company, in consultation with the BRLMs, may offer a discount of ₹ [●] per Equity Share on the Offer Price to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date. For further details, see "**Offer Procedure**" and "**Offer Structure**" on pages 356 and 352 respectively.*

(5) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws. 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. In case of under-subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the Equity Shares will be allotted in the following order of priority: (i) through the sale of Offered Shares being offered by the Selling Shareholders in the Offer for Sale; and (ii) through the issuance of balance 10% of the Fresh Issue. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in "**Terms of the Offer – Minimum Subscription**" on page 350.*

(6) *Our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will be accordingly reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares of face value of ₹ 5 each, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "**Offer Procedure**" on page 356. Allocation to all categories shall be made in accordance with the SEBI ICDR Regulations.*

(7) *Allocation to Bidders in all categories except the Anchor Investor Portion, Non-Institutional Portion and the Retail Portion shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see "**Offer Procedure**" on page 356.*

(8) *Not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, which shall be subject to the following: (i) one- third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub- category of Non-Institutional Bidders. 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.*

Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see "***Offer Procedure***" and "***Offer Structure***" on pages 356 and 352, respectively. For details of the terms of the Offer, see "***Terms of the Offer***" on page 345. Pursuant to Rule 19(2)(b) of the SCRR, the Offer is being made for at least [●]% of the post-Offer paid-up equity share capital of our Company.

SUMMARY FINANCIAL INFORMATION

*The following tables set forth summary financial information derived from the Restated Consolidated Financial Information. The summary financial information presented below should be read in conjunction with "**Restated Consolidated Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 242 and 298, respectively.*

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Restated Statement of Assets and Liabilities

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	450.72	215.71	160.25
Right to use assets	62.85	70.87	82.83
Intangible assets	6.43	2.67	3.59
Capital work-in progress	0.24	0.40	30.26
Investments	-	-	-
Other financial assets	8.78	6.85	30.80
Other non-current assets	85.10	2.07	-
Non-Current tax assets (net)	-	0.40	0.68
Deferred tax assets (net)	5.63	6.77	7.53
Total Non-Current Asset	**619.75**	**305.74**	**315.94**
Current assets			
Inventories	197.33	157.72	47.24
Trade receivables	468.42	321.30	75.15
Cash and cash equivalents	71.78	18.75	34.49
Other bank balances	4.61	21.86	40.29
Loans	-	-	-
Other financial assets	239.04	59.96	17.58
Current tax assets (net)	39.58	-	2.18
Other current assets	115.83	48.08	35.88
Total Current Asset	**1136.59**	**627.67**	**252.81**
Total Assets	**1756.34**	**933.41**	**568.75**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	220.03	10.42	10.42
Instruments entirely equity in nature			
Other equity	865.92	478.03	266.16
Equity attributable to owners of the Company			
Non-controlling interest			
Total Equity	**1085.95**	**488.45**	**276.58**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	125.18	45.90	57.70
Lease liabilities	-	9.52	17.74
Other Financial liabilities	-	-	-
Provisions	-	60.20	17.97
Deferred tax liabilities (net)	-	1.38	-
Other non-current liabilities	-	-	-
Total Non -Current Liabilities	125.18	117.00	93.41
Current liabilities			
Financial liabilities			
Borrowings	163.38	176.69	113.46
Lease liabilities	10.40	8.22	10.68
Trade payable			
Total outstanding dues of micro enterprises and small enterprises	23.32	16.62	9.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	111.90	52.69	31.57
Other financial liabilities	33.68	34.40	10.67
Provisions	195.73	12.31	4.99
Current tax liabilities (net)	-	20.09	9.86

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Other current liabilities	6.80	6.94	7.87
Total Current Liabilities	545.21	327.96	198.76
Total Equity and Liabilities	1756.34	933.41	568.75

Restated Statement of Profit and Loss

(₹ in million)

Particulars	For the year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Income			
Revenue from operations	2087.75	941.66	363.49
Other income	50.11	7.64	7.32
Total income:	2137.86	949.30	370.81
Expenses			
Cost of materials consumed	486.31	297.51	89.32
Purchases of stock-in-trade	6.08	10.49	-
Changes in inventories of finished goods, stock in trade, work-in-progress	(49.71)	(118.16)	(18.01)
Subcontractors' charges	269.14	74.13	28.89
Employee benefit expenses	324.40	156.07	82.67
Finance cost	32.32	18.82	16.44
Depreciation and amortisation expense	44.64	40.80	30.95
Other expenses	259.68	175.99	103.37
Total expenses:	1372.86	655.65	333.63
Profit/(Loss) before exceptional items and tax from continuing operations			
Exceptional items			
Restated profit before tax for the year	765.00	293.65	37.18
Tax Expense			
Current tax			
Tax for the year	154.57	57.75	9.83
Tax expenses pertaining to earlier year	28.95	-	
Deferred Tax	0.14	7.77	(6.57)
Total tax expenses:	183.66	65.52	3.26
Restated Profit after tax for the year	581.34	228.13	33.92
Restated other comprehensive income/(loss)			
A (i) Items that will not be reclassified to			
profit or loss			
(a) Remeasurement Gain / (Loss) of the defined benefit plans	(1.16)	(21.91)	0.06
(ii) Income tax related to Items above			
(a) Tax relating to remeasurement of the defined benefit plans	0.29	5.65	(0.05)
(b) Tax relating to measurement of equity			
instruments at fair value			
Other Comprehensive Income for the year/period	(0.87)	(16.26)	0.01
Restated total comprehensive income for the year	580.47	211.87	33.93
Earnings Per Equity Share			
Basic earnings per share of face value of ₹ 5 each (in Rs.)	13.23	5.19	0.77
Diluted earnings per share of face value of ₹ 5 each (in Rs.)	13.23	5.19	0.77

Restated Statement of Cashflow

(₹ in million)

Sr. No.	Particulars	For the year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
A	**Cash flow from operating activities**			
	Profit / (loss) before tax from continuing operations	765.00	293.65	37.18
	Adjustments for:			
	Depreciation and amortization expense	44.65	40.80	30.96
	Gain on lease modification			
	Interest and other finance cost	32.82	27.28	20.01
	Expected credit loss allowance	10.10	7.72	0.93
	Interest income	(16.08)	(7.42)	(4.24)
	Profit on sale of investments	(0.02)	-	-
	Unrealised foreign exchange (gain)/loss (net)	(12.19)	2.45	3.57
	Rent concession	-	-	(1.53)
	(Profit)/ Loss on sale of property, plant and equipment and intangible assets	(1.04)	(0.30)	0.59
	Provision for doubtful trade and other receivables, loans and advances	-	-	-
	Operating profit/(loss) before working capital changes	823.24	364.18	87.47
	Adjustments for changes in:			
	(Increase)/ decrease in trade receivables	(141.29)	(183.50)	(8.26)
	(Increase)/ decrease in inventories	(48.96)	(110.49)	(31.76)
	(Increase) / Decrease in other current financial assets	(182.63)	(15.81)	(50.79)
	(Increase)/Decrease in Other Current assets	(71.15)	(12.21)	(16.44)
	(Increase)/ decrease in non-current financial assets			
	(Increase)/ decrease in other non-current asset	(83.02)	(2.07)	0.45
	Increase/ (decrease) in trade payables	62.52	(23.11)	4.67
	Increase/ (decrease) in other current liabilities	0.13	(0.87)	4.08
	Increase/ (decrease) in non-current provisions and current provisions	122.07	22.48	15.71
	Increase/ (decrease) in other financial liabilities	(1.79)	23.71	8.72
	Cash generated from / (used in) operations before tax	(344.12)	(301.87)	(73.62)
	Income Taxes paid	(242.79)	(48.77)	1.43
	Net cash inflow / (outflow) from operating activities	236.33	13.54	15.28
B	**Cash flow from investing activities**			
	Purchase of Property, Plant and Equipment including capital advances	(277.99)	(54.12)	(28.54)
	Payments for acquisition of intangible assets	(0.29)	(0.36)	-
	Proceeds from sale of bank deposits	18.84	0.79	33.03
	Investment in bank deposits	-	(3.77)	
	Proceeds from sales of investments	0.12	-	-
	Proceeds from sale of Property, Plant and Equipment	4.20	-	-
	Proceeds from sales of software	-	-	-
	Payments for purchase of investments	-	(10.10)	2.81
	Proceeds from disposal of intangible assets	-	1.25	(8.39)
	Interest received	15.90	7.12	(9.24)
	Net cash flow from/(used in) investing activities	(239.22)	(59.19)	8.15
C	**Cash Flow from financing activities**			
	Proceeds from issue of equity shares	-	10.10	-
	Proceeds/repayment from borrowings	96.99	48.93	27.39
	Finance costs paid	(1.13)	(3.28)	(3.05)
	Interest paid on borrowings and guarantee commission	(30.16)	(13.65)	(14.62)
	Principal paid on lease liabilities	(8.48)	(10.68)	(8.60)
	Interest paid on lease liabilities	(1.42)	(2.06)	(2.08)
	Interest paid	-	-	-
	Finance Cost other than Lease Liabilities	-	-	-

Sr. No.	Particulars	For the year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
	Net cash flow from / (used in) financing activities	55.80	29.36	(1.68)
	Net increase / (decrease) in cash and cash equivalents	52.91	(16.29)	21.75
	Opening cash and cash equivalents			
	Cash and cash equivalents at the end of the year			
	Cash and cash equivalents opening	18.75	34.49	13.03
	Cash and cash equivalents closing	0.12	0.55	(0.29)
	Components of Cash and cash equivalent			
	Cash in hand	0.03	0.03	-
	in current accounts	42.29	11.65	27.91
	in EEFC Accounts	19.45	7.07	6.58
	Deposits with maturity of less than 3 months	10.01	-	-
	Total cash and cash equivalents at end of the year	71.78	18.75	34.49

GENERAL INFORMATION

Our Company was originally incorporated as "*Unimech Aerospace and Manufacturing Private Limited*" under the provisions of the Companies Act, 2013, pursuant to a certificate of incorporation dated August 12, 2016, issued by the Central Registration Centre, for and on behalf of the Jurisdictional Registrar of Companies, Karnataka at Bangalore ("**RoC**"). The name of our Company was subsequently changed to "*Unimech Aerospace and Manufacturing Limited*", upon conversion of our Company from a private limited to a public limited company, pursuant to a board resolution dated February 14, 2024, and a shareholders' resolution dated March 4, 2024. A fresh certificate of incorporation dated June 21, 2024, was issued by the RoC.

Registered and Corporate Office of our Company

Unimech Aerospace and Manufacturing Limited
538, 539, 542 & 543,
7th Main of Peenya IV Phase Industrial Area,
Yeshwanthpur Hobli,
Bangalore North Taluk - 560058,
Bangalore, Karnataka, India

For details in relation to the changes in our Registered Office of our Company, see ***"History and Certain Corporate Matters-Changes in the registered office of our Company"*** on page 208.

Corporate Identity Number: U30305KA2016PLC095712
Company Registration Number: 095712

Address of the Registrar of Companies

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

Registrar of Companies, Karnataka at Bangalore
'E' Wing, 2nd Floor,
Kendriya Sadana, Kormangala,
Bangalore-560034, Karnataka.

Board of Directors of our Company

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

Name and Designation	DIN	Address
Anil Kumar P *Designation: Chairman and Managing Director*	07683267	E 721, Cedar Block, Brigade Orchards, Devanahalli, Bengaluru Rural – 562110, Bangalore Rural, Karnataka, India.
Ramakrishna Kamojhala *Designation: Whole-time Director and Chief Financial Officer*	07004517	134, 3rd Cross, 5th Main, KSRTC Layout, Chikkalasandra, Bangalore South, Subramanyapura Bangalore, Karnataka – 560061, India.
Mani P *Designation: Whole-time Director*	08042129	No. 628, Phase 4 Gagan Nilayam, Raheja Jade Garden, Near Club Cabana, Sadahalli, Devenahalli – 562110, Bangalore Rural, Karnataka, India.
Rajanikanth Balaraman *Designation: Whole-time Director*	07894421	511, Athreya 4th Cross, 3rd Stage, 3rd Block 3rd Phase, Banashankari, South Bangalore, Bangalore – 560 085, Karnataka, India.
Preetham S V *Designation: Whole-time Director*	07683268	406, 4th Floor, Parvatha Krishna Homes, Ramachandrappa Layout Gubbalala, Vasanthapura, Subramanyapura, Bengaluru - 560 061, Bengaluru, Karnataka, India.
Mukund Srinath *Designation: Independent Director*	00025017	Sobha Morzaria Grandeur – A2-143, No. 4, Bannerghatta Main Road, Next to Oracle and Accenture Offices, Bangalore Dairy Circle, Bangalore South – 560 029, Bengaluru, Karnataka, India.
Ashok Tandon *Designation: Independent Director*	06534280	No. 77, Phase 2, Cascading Meadows, T C palya, Maragondanahalli, k r puram, Bangalore North – 560 036, Bangalore, Karnataka, India
Vidya Rajarao *Designation: Independent Director*	07878459	Apt-2B, 1st Floor, No.33 Sydney Court 7th Cross, Lavelle Road, Bangalore North – 560 001, Bengaluru, Karnataka, India

Name and Designation	DIN	Address
Pavan Krishnamurthy *Designation: Independent Director*	00579613	6th Main 4th Phase, 7th Block, BSK 3rd Stage, Bangalore South, Banashankari III Stage – 560 085, Bengaluru, Karnataka, India
Sridhar Ranganathan *Designation: Independent Director*	07637826	3A, Golden Kingsmead, 3, TAS Enclave, 10th Main Road, Anna Nagar – 600 040, Chennai, Tamil Nadu, India

For brief profiles and further details of our Directors, see "***Our Management***" on page 215.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been uploaded on the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with Regulation 25(8) of the SEBI ICDR Regulations and the SEBI ICDR Master Circular bearing reference SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and has been emailed at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD" and will also be filed with the SEBI at the following address.

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

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed with the RoC in accordance with Section 32 of the Companies Act, and a copy of the Prospectus shall be filed with the RoC at 'E' Wing, 2nd Floor, Kendriya Sadana, Kormangala, Bengaluru-560034, Karnataka, India as required under Section 26 of the Companies Act and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Company Secretary and Compliance Officer

Krishnappayya Desai is the Company Secretary and Compliance Officer of our Company. His contact details are set forth below:

Krishnappayya Desai
538, 539, 542 & 543,
7th Main of Peenya IV Phase Industrial Area,
Yeshwanthpur Hobli,
Bangalore North Taluk - 560058,
Bangalore, Karnataka, India
Tel: 080-4204 6782
E-mail: investorrelations@unimechaerospace.com

Investor Grievances

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

All Offer-related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or first bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the

Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

Anand Rathi Advisors Limited
11th Floor, Times Tower, Kamla City,
Senapati Bapat Marg Lower Parel,
Mumbai – 400 013, Maharashtra, India
Telephone: +91 22 4047 7120
E-mail: ipo.unimech@rathi.com
Investor Grievance E-mail: grievance.ecm@rathi.com
Website: www.anandrathiib.com
Contact person: Arpan Tandon
SEBI Registration No.: INM000010478

Equirus Capital Private Limited
1201, C Wing, Marathon Futurex,
N M Joshi Marg, Lower Parel,
Mumbai - 400 013
Maharashtra, India
Telephone: +91 22 4332 0736
E-mail: unimech.ipo@equirus.com
Investor Grievance ID: investorsgrievance@equirus.com
Website: www.equirus.com
Contact person: Malay Shah / Subah Hindaria
SEBI Registration No.: INM000011286

Statement of inter-se allocation of responsibilities amongst the BRLMs

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

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Abridged Prospectus, application form including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	BRLMs	Anand Rathi
2.	Drafting and approval of all statutory advertisement.	BRLMs	Anand Rathi
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in point 2 above including corporate advertising, brochure, etc. and filing of media compliance report.	BRLMs	Equirus
4.	Appointment of intermediaries viz., Registrar's, Printers, Syndicate Members, Sponsor Bank Advertising Agency, Monitoring Agency, Sponsor Banks, and Banker(s) to the Offer and other intermediaries including co-ordination of all agreements to be entered into with such intermediaries.	BRLMs	Anand Rathi
5.	Preparation of road show presentation and frequently asked questions.	BRLMs	Anand Rathi
6.	International institutional marketing of the Offer, which will cover, *inter alia*: • International Institutional marketing strategy • Finalizing the list and division of international investors for one-to-one meetings; and Finalizing international road show and investor meeting schedules.	BRLMs	Equirus
7.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Domestic Institutional marketing strategy • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and Finalizing domestic road show and investor meeting schedules.	BRLMs	Anand Rathi

Sr. No	Activity	Responsibility	Co-ordinator
8.	Conduct non-institutional marketing of the Offer, which will cover, inter-alia: • Formulating marketing strategies for Non-institutional Investors • Finalising media, marketing, public relations strategy and publicity budget • Finalising brokerage, collection centres Follow-up on distribution of publicity and Offer material including form, RHP/ Prospectus and deciding on the quantum of the Offer material	BRLMs	Anand Rathi
9.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget • Finalising brokerage, collection centres • Finalising commission structure • Finalising centres for holding conferences etc. Follow-up on distribution of publicity and Offer material including form, RHP/ Prospectus and deciding on the quantum of the Offer material	BRLMs	Equirus
10.	Co-ordination with Stock Exchanges for filing Book Building software letters, bidding terminals and mock trading.	BRLMs	Equirus
11.	Managing the book and finalization of pricing in consultation with the Company and managing the Anchor Book related activities and submission of letters to regulators post completion of Anchor Offer	BRLMs	Anand Rathi
12.	Post-Offer activities, management of escrow accounts, essential follow-up steps including follow-up with Banker(s) to the Offer and Self Certified Syndicate Banks to get quick estimates of subscription and advising the Issuer about the closure of the Offer, finalization of basis of allotment after weeding out the technical rejections. Coordination with various agencies connected with the post-offer activity such as registrars to the Offer, Sponsor Bank, Banker(s) to the Offer, Self-Certified Syndicate Banks and underwriters etc., listing of instruments, demat credit and refunds/ unblocking of funds announcement of allocation and dispatch of refunds to Bidders, etc., payment of the applicable securities transaction tax / with-holding tax to the Government on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale and filing of the securities transaction tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004.. Coordination with SEBI and Stock Exchanges for submission of all post offer reports including the initial and final post offer report to SEBI.	BRLMs	Equirus

Legal Counsel to the Company as to Indian Law

Trilegal
One World Centre
10th Floor, Tower 2A &2B,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai 400 013
Telephone: +(91) 22 4079 1000

Registrar to the Offer

KFin Technologies Limited
Selenium Tower B, Plot No. 31 and 32,
Financial District, Nanakramguda, Serilingampally
Hyderabad-500 032,
Telangana, India
Telephone: +91 40 6716 2222
E-mail: uaml.ipo@kfintech.com
Investor Grievance E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact person: M Murali Krishna
URL of SEBI website: https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10
SEBI Registration No: INR000000221

Bankers to the Offer

Escrow Collection Bank

[●]

Public Offer Account Bank

[●]

Syndicate Members

[●]

Refund Bank

[●]

Sponsor Bank

[●]

Bankers to our Company

South Indian Bank

Peenya Industrical Area
138/B, Udaygiri Complex,
Peenya 3rd Phase Industrial Area,
Near TVS Cross,
Bangalore – 560 058, Karnataka, India
Telephone: 080-28393311
E-mail: br0911@sib.co.in
Website: www.southindianbank.com
Contact person: Manu Mohan

Axis Bank Limited

Nitesh Timesquare Level 3
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Statutory Auditors to our Company

M S K A & Associates
SV Tower No 27,
Floor 4 80 Feet Road,
6th Block Koramangala
Bengaluru – 560095,
Karnataka, India
Tel.: +91 80 6811 1600
E-mail: pankajbhauwala@mska.in
ICAI Firm Registration Number: 105047W
Peer Review Number: 016966

Changes in auditors

Except as stated below, there has been no change in our statutory auditors in the five years preceding the date of this Draft Red Herring Prospectus.

Particulars	Date of change	Reason for change
M/s Tejus and Ravi Kiran, Chartered Accountants Opp. Shaneshwara Temple, Behind Government School, Kudlu, Hosur Road, Banaglore, Karnataka, India **Telephone:** +91 9986660579 **Email**: tejusbs@nxgconsulting.in **Firm registration number**: 013418S **Peer review number**: N/A	September 29, 2022	Resignation upon completion of term as the statutory auditors of the Company.
M/s Sowmya and Associates, Chartered Accountants No. 8, K R Road, Next to Garadi Apartments, Basavanagudi, Bengaluru – 560 004 Karnataka, India **Telephone:** +91 9740284395 **Email**: sowmyaprhld@gmail.com **Firm registration number**: 018306S **Peer review number**: N/A	September 30, 2022	Appointment as the statutory auditors of the Company
M/s Sowmya and Associates, Chartered Accountants No. 8, K R Road, Next to Garadi Apartments, Basavanagudi, Bengaluru – 560 004 Karnataka, India **Telephone:** +91 9740284395 **Email**: sowmyaprhld@gmail,com **Firm registration number**: 018306S **Peer review number**: N/A	November 16, 2023	Resignation as statutory auditor of the company due to pre-occupation
M S K A & Associates, Chartered Accountants SV Tower No 27, Floor 4 80 Feet Road, 6th Block Koramangala Bengaluru – 560095, Karnataka, India **Tel.:** 080 3041 0000 **E-mail:** pankajbhauwala@mska.in **ICAI Firm Registration Number:** 105047W **Peer Review Number:** 016966	December 12, 2023*	Appointment as the Statutory Auditor to fill in casual vacancy due to resignation of previous statutory auditor

**Re-appointed as Statutory Auditor on July 3, 2024 for a term of five years.*

Designated Intermediaries

Self-Certified Syndicate Banks

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

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.

Self-Certified Syndicate Banks 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 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI Mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and is also available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for SCSBs and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 for mobile applications or at such other websites as may be prescribed by SEBI from time to time.

Syndicate Self-Certified Syndicate Banks Branches

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

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Grading of the Offer

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

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of SEBI ICDR Regulations, for monitoring of the utilisation of the gross proceeds from the Fresh Issue. For details in relation to the proposed utilisation of the proceeds from the Fresh Issue, please see "***Objects of the Offer***" on page 101.

Experts

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

Our Company has received written consent dated August 19, 2024 from M S K A & Associates, Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 (5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated August 19, 2024 relating to the Restated Consolidated Financial Information; and (ii) the statement of tax benefits of the Company and our Material Subsidiary dated August 19, 2024 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated August 19, 2024 from Vishnu Daya & Co LLP, the Independent Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 (5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Independent Chartered Accountants, and in respect of certain certificates to be included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

In addition, our Company has also received written consent dated August 19, 2024 from Nagsons Engineers & Consultants, Independent Chartered Engineer, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in its capacity as an independent chartered engineer, in relation to their certificates.

In addition, our Company has also received written consent dated August 18, 2024 from Kalaivani S, practising company secretary, to include her name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in her capacity as a practising company secretary, in relation to her certificates.

Appraising Entity

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

Credit Rating

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

Debenture Trustees

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidder on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band and the minimum Bid lot which will be decided by our Company, in consultation with the BRLMs and advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective website. The Offer Price shall be determined by our Company, in consultation with the BRLMs after the Bid/Offer Closing Date.

All Investors (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs, or in the case of UPI Bidders, by using the UPI Mechanism. In addition to this, the UPI Bidders may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors (subject to the Bid Amount being up to ₹0.20 million) and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids on or before the Bid/Offer Closing Date. Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bid/Offer Period. Except Allocation to Retail Individual Bidders, Non-Institutional Bidders and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. For further details on the Book Building Process and the method and process of Bidding, see *"**Terms of the Offer**" "**Offer Procedure**"* and "***Offer Structure***" on pages 345, 356 and 352, respectively.

The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid in the Offer.

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

For an illustration of the Book Building Process, price discovery process and allocation, see "***Offer Procedure***" on page 356.

Underwriting Agreement

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

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

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

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

In the opinion of our Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/ IPO Committee, at its meeting held on [●], has approved the execution of the Underwriting Agreement by our Company.

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

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below.

(in ₹, except share data)

S. No.	Particulars	Aggregate nominal value at face value	Aggregate value at Offer Price*
A)	**AUTHORISED SHARE CAPITAL**(1)		
	60,000,000 Equity Shares of face value of ₹ 5 each	300,000,000	[●]
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	47,672,170 Equity Shares of face value of ₹5 each	238,360,850	[●]
C)	**PRESENT OFFER**(2)		
	Offer of up to [●] Equity Shares of face value of ₹ 5 each**	[●]	[●]
	Of which:		
	Fresh Issue of up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 2,500.00 million	[●]	[●]
	Offer for Sale of up to [●] Equity Shares of face value of ₹ 5 each by the Selling Shareholders aggregating up to ₹ 2,500.00 million (3)	[●]	[●]
	Which includes:		
	Employee Reservation Portion of up to [●] Equity Shares of face value of ₹ 5 each (4)	[●]	[●]
	Net Offer of up to [●] Equity Shares of face value of ₹ 5 each	[●]	[●]
E)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**#		
	[●] Equity Shares of face value of ₹ 5 each	[●]	[●]
F)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	2,481,666,487	
	After the Offer*	[●]	

**To be updated upon finalisation of the Offer Price.*

*** Subject to Basis of Allotment.*

(1) *For details in relation to the changes in the authorised share capital of our Company since the date of its incorporation, see "**History and Certain Corporate Matters – Amendments to the Memorandum of Association**" on page 209.*

(2) *Our Board has authorised the Offer, pursuant to its resolution dated July 3, 2024. Our Shareholders have authorised the Fresh Issue pursuant to a special resolution dated July 3, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated August 7, 2024.*

(3) *Each of the Selling Shareholders, severally and not jointly, confirmed that they have approved inclusion of their respective Offered Shares in the Offer for Sale and that their respective Offered Shares have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus, therefore being eligible for offer for sale in terms of Regulation 8 of the SEBI ICDR Regulations. For details on the authorisation by the Selling Shareholders in relation to the Offered Shares, see "**Other Regulatory and Statutory Disclosures - Authority for the Offer**" on page 334.*

(4) *Eligible Employees Bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹ 0.50 million (net of Employee Discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 0.30 million (net of Employee Discount, if any). Only in the event of under-subscription in the Employee Reservation Portion, such unsubscribed portion will be available for allocation and Allotment proportionately to all Eligible Employees who have Bid in excess of ₹ 0.20 million (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employees not exceeding ₹ 0.50 million (net of Employee Discount, if any).*

Notes to Capital Structure

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

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

Date of allotment	Nature of allotment	Details of allottees/ shareholders and equity Shares allotted	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
September 10, 2016*	Initial subscription to Memorandum of Association	Allotment of 18,000 equity shares of face value of ₹ 100 each to Ramakrishna Kamojhala, 18,000 equity shares of face value of ₹ 100 each to Mani P, 12,000 equity shares of face value of ₹ 100 each to Preetham S V and 34,000 equity shares of face value of ₹ 100 each to Rasmi Anil Kumar	82,000	100	100	Cash	82,000	8,200,000
November 17, 2017	Rights issue in the ratio of 2 Equity Shares for every 9 Equity Shares held	Allotment of 18,222 equity shares of face value of ₹ 100 each to Rajanikanth Balaraman	18,222	100	100	Cash	100,222	10,022,200
February 2, 2018	Rights issue in the ratio of 1 Equity Share for every 25 Equity Shares held	Allotment of 761 equity shares of face value of ₹ 100 each to Ramakrishna Kamojhala, 761 equity shares of face value of ₹ 100 each to Mani P, 508 equity shares of face value of ₹ 100 each to Preetham S V, 1,439 equity shares of face value of ₹ 100 each to Rasmi Anil Kumar and 539 equity shares of face value of ₹ 100 each to Rajanikanth Balaraman	4,008	100	100	Cash	104,230	10,423,000
July 1, 2023	Conversion of CCDs	Allotment of 272 equity shares of face value of ₹ 100 each to Shakunthala B. and Shankar Javaregowda upon conversion of 15,000 CCDs each having face value of ₹100 each	544	100	5,495	Other than cash	104,774	10,477,400
Pursuant to our Board resolution dated December 22, 2023, and our Shareholders' resolution dated December 23, 2023, the existing equity shares of face value of ₹ 100 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued, subscribed and paid-up equity share capital of our Company, of ₹ 10,477,400 comprising of 104,774 Equity Shares of face value of ₹100 each was sub-divided into ₹10,477,400 comprising of 2,095,480 Equity Shares of face value of ₹ 5 each.								
December 28, 2023	Bonus issue in the ratio of 20 Equity	Allotment of 7,504,400 Equity Shares of face value of ₹ 5 each to Ramakrishna	41,909,600	5	N.A.	N.A.	44,005,080	220,025,400

Date of allotment	Nature of allotment	Details of allottees/ shareholders and equity Shares allotted	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
	Shares for every 1 Equity Share held	Kamojhala, 7,504,400 Equity Shares of face value of ₹ 5 each to Mani P, 5,003,200 Equity Shares of face value of ₹ 5 each to Preetham S V, 14,175,600 Equity Shares of face value of ₹ 5 each to Rasmi Anil Kumar, 7,504,400 Equity Shares of face value of ₹ 5 each to Rajanikanth Balaraman, 108,800 Equity Shares of face value of ₹ 5 each to Shakunthala B. and 108,800 Equity Shares to Shankar Javaregowda						
July 19, 2024	Preferential issue	Allotment of 1,466,836 Equity Shares of face value of ₹ 5 each to ValueQuest SCALE Fund (a scheme of ValueQuest Alternate Investment Trust), 1,466,836 Equity Shares of face value of ₹ 5 each to Evolvence India Fund IV Ltd and 733,418 Equity Shares of face value of ₹ 5 each to Steadview Capital Mauritius Limited	3,667,090	5	681.74	Cash	47,672,170	238,360,850
Total							**47,672,170**	**238,360,850**

** The date of initial subscription to the memorandum of association was August 12, 2016, also being the date of our incorporation, and the board resolution noting the initial allotment was passed on September 10, 2016.*

Our Company has made the abovementioned issuances and allotments of Equity Shares from the date of incorporation of our Company till the date of filing of this Draft Red Herring Prospectus in compliance with the relevant provisions of the Companies Act, 2013, to the extent applicable.

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

Our Company does not have any outstanding preference shares as of the date of this Draft Red Herring Prospectus.

3. **Shares issued for consideration other than cash**

Except for the allotment of Equity Shares pursuant to the bonus issue undertaken by our Company on December 28, 2023, as set forth below, our Company has not issued any equity shares for consideration other than cash or by way of a bonus issue since its incorporation as on the date of this Draft Red Herring Prospectus:

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Benefits, if any, that have accrued to our Company
December 28, 2023	Bonus issue in the ratio of 20 Equity Shares for every 1 Equity Share held	Allotment of 7,504,400 Equity Shares of ₹ 5 each to Ramakrishna Kamojhala, 7,504,400 of ₹ 5 each Equity Shares to Mani P, 5,003,200 Equity Shares to Preetham S V, 14,175,600 Equity Shares of ₹ 5 each to Rasmi Anil Kumar, 7,504,400 Equity Shares of ₹ 5 each to Rajanikanth Balaraman, 108,800 Equity Shares of ₹ 5 each to Shakunthala B. and 108,800 Equity Shares of ₹ 5 each to Shankar Javaregowda.	41,909,600	5	N.A.	-

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

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

5. **Issue of equity shares pursuant to Sections 230 to 234 of the Companies Act, 2013**

Our Company has not allotted any equity shares pursuant to any scheme approved under Sections 230 to 234 of the Companies Act, 2013, each as amended.

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

Except as disclosed under "*-**Equity Share capital history of our Company***" above, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

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

As on the date of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares under the Unimech Employee Stock Option Policy, 2024 ("**ESOP Policy**"). For details in relation to the ESOP Policy, please see ***"- Employee stock option plan of the Company"*** on page 98.

8. **Details of history of shareholding and share capital of our Promoters and the members of the Promoter Group in our Company**

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in aggregate, 42,236,420 Equity Shares of face value of ₹ 5 each, which constitutes 88.60 % of the issued, subscribed and paid-up Equity Share capital of our Company. All the Equity Shares held by our Promoters are in dematerialised form. The details regarding our Promoters' shareholding are set forth below.

a) Shareholding of our Promoters and member of our Promoter Group

Name	**Pre-Offer**		**Post-Offer*^**	
	Number of Equity Shares of face value of ₹ 5 each	**Percentage of pre-Offer Equity Share capital**	**Number of Equity Shares of face value of ₹ 5 each**	**Percentage of post-Offer Equity Share capital**
Promoters				
Anil Kumar P	13,344,200	27.99	[●]	[●]
Ramakrishna Kamojhala	7,879,620	16.53	[●]	[●]
Mani P	7,879,620	16.53	[●]	[●]
Rajanikanth Balaraman	7,879,620	16.53	[●]	[●]
Preetham S V	5,253,360	11.02	[●]	[●]
Total	**42,236,420**	**88.60**	[●]	[●]
Promoter Group				
Rasmi Anil Kumar	1,540,180	3.23	[●]	[●]

** To be included in the Prospectus.*
^ Subject to finalization of Basis of Allotment.

b) Build-up of Promoters' shareholding in our Company

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

Date of allotment/ transfer	**Number of equity shares allotted/ transferred**	**Face value per equity share (₹)**	**Offer/ acquisition/ transfer price per equity share (₹)**	**Nature of consideration**	**Nature of transaction**	**% of the pre-Offer equity share capital**	**% of the post-Offer equity share capital**
Mani P							
September 10, 2016*	18,000	100	100	Cash	Allotment pursuant to initial subscription to the Memorandum of Association	0.04	[●]
February 2, 2018	761	100	100	Cash	Rights issue in the ratio of 1 equity share for every 25 equity shares held	Negligible	[●]
Pursuant to our Board resolution dated December 22, 2023, and our Shareholders' resolution dated December 23, 2023, the existing Equity Shares of face value of ₹100 each of our Company were sub-divided into Equity Shares of face value of ₹5 each. Therefore, 18,761 Equity Shares held by Mani P were sub-divided into 375,220 Equity Shares.							
December 28, 2023	7,504,400	5	N.A.	N.A.	Bonus issue in the ratio of	15.74	[●]

Date of allotment/ transfer	Number of equity shares allotted/ transferred	Face value per equity share (₹)	Offer/ acquisition/ transfer price per equity share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
					20 Equity Shares for every 1 Equity Share held		
Total (A)	**7,879,620**					**16.53**	**[●]**
Ramakrishna Kamojhala							
September 10, 2016*	18,000	100	100	Cash	Allotment pursuant to initial subscription to the Memorandum of Association	0.04	[●]
February 2, 2018	761	100	100	Cash	Rights issue in the ratio of 1 equity share for every 25 equity shares held	Negligible	[●]
Pursuant to our Board resolution dated December 22, 2023 and our Shareholders' resolution dated December 23, 2023, the existing Equity Shares of face value of ₹100 each of our Company were sub-divided into Equity Shares of face value of ₹5 each. Therefore, 18,761 Equity Shares held by Ramakrishna Kamojhala were sub-divided into 375,220 Equity Shares.							
December 28, 2023	7,504,400	5	N.A.	N.A.	Bonus issue in the ratio of 20 Equity Shares for every 1 Equity Share held	15.74	[●]
Total (B)	**7,879,620**					**16.53**	**[●]**
Preetham S V							
September 10, 2016*	12,000	100	100	Cash	Allotment pursuant to initial subscription to the Memorandum of Association	0.03	[●]
September 2, 2017	(1)	100	100	Cash	Transfer by way of sale of 1 equity share to Rajanikanth Balaraman	Negligible	[●]
December 16, 2017	1	100	100	Cash	Transfer by way of purchase of 1 equity share from Rajanikanth Balaraman	Negligible	[●]

Date of allotment/ transfer	Number of equity shares allotted/ transferred	Face value per equity share (₹)	Offer/ acquisition/ transfer price per equity share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
February 2, 2018	508	100	100	Cash	Rights issue in the ratio of 1 equity share for every 25 equity shares held	Negligible	[●]
Pursuant to our Board resolution dated December 22, 2023 and our Shareholders' resolution dated December 23, 2023, the existing Equity Shares of face value of ₹100 each of our Company were sub-divided into Equity Shares of face value of ₹5 each. Therefore, 12,508 Equity Shares held by Preetham S V, were sub-divided into 250,160 Equity Shares.							
December 28, 2023	5,003,200	5	N.A.	N.A.	Bonus issue in the ratio of 20 Equity Shares for every 1 Equity Share held	10.50	[●]
Total (C)	**5,253,360**					**11.02**	[●]
Rajanikanth Balaraman							
September 2, 2017	1	100	100	Cash	Transfer by way of purchase of 1 equity share from Preetham S V	Negligible	[●]
November 17, 2017	18,222	100	100	Cash	Rights issue in the ratio of 2 equity shares for every 9 equity shares held.	0.04	[●]
December 16, 2017	(1)	100	100	Cash	Transfer by way of sale of 1 equity share to Preetham S V	Negligible	[●]
February 2, 2018	539	100	100	Cash	Rights issue in the ratio of 1 equity share for every 25 equity shares held	Negligible	[●]
Pursuant to our Board resolution dated December 22, 2023 and our Shareholders' resolution dated December 23, 2023, the existing Equity Shares of face value of ₹100 each of our Company were sub-divided into Equity Shares of face value of ₹5 each. Therefore, 18,761 Equity Shares held by Rajanikanth Balaraman, were sub-divided into 375,220 Equity Shares.							
December 28, 2023	7,504,400	5	N.A.	N.A.	Bonus issue in the ratio of 20 Equity Shares for every 1	15.74	[●]

Date of allotment/ transfer	Number of equity shares allotted/ transferred	Face value per equity share (₹)	Offer/ acquisition/ transfer price per equity share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
					Equity Share held		
Total (D)	**7,879,620**					**16.53**	[●]
Anil Kumar P							
March 29, 2024	13,344,200	5	-	-	Transfer by way of gift of 13,344,200 Equity Share from Rasmi Anil Kumar	27.99	[●]
Total (E)	**13,344,200**					**27.99**	**[●]**
Total (A+B+C+D +E)	**42,236,420**					**88.60**	[●]

** The date of initial subscription to the memorandum of association was August 12, 2016, also being the date of our incorporation, and the board resolution noting the initial allotment was passed on September 10, 2016.*

As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged or are otherwise encumbered.

c) Details of minimum Promoters' contribution locked in as may be prescribed under applicable law

Pursuant to Regulation 14 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and, pursuant to Regulation 16 of the SEBI ICDR Regulations, shall be locked-in for a period of 18 months from the date of Allotment ("**Promoters' Contribution**"). Our Promoters' shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment.

The details of Equity Shares held by our Promoters, which will be locked-in for a period of 18 months, from the date of Allotment as Promoters' Contribution are set forth below:

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

Note: To be updated at the Prospectus stage.
 # Equity Shares were fully paid-up on the respective dates of allotment/acquisition, as the case may be.
*** Subject to finalisation of Basis of Allotment.*

Our Promoters have given their consent to include such number of Equity Shares held by them as disclosed above, constituting 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoter, see "***Build-up of Promoters' shareholding in our Company***" on page 91.

In this connection, we confirm the following:

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

(ii) The Equity Shares offered for Promoters' Contribution shall not consist of Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) The Equity Shares offered for Promoters' Contribution shall not consist of Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance; and

(iv) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm.

d) Details of share capital locked-in for six months or any other period as may be prescribed under applicable law

In terms of Regulation 17 and 16(1)(b) of the SEBI ICDR Regulations, except for:

1. the Promoters' Contribution and any Equity Shares held by our Promoters in excess of Promoter's Contribution, which shall be locked in as above; and

2. the Equity Shares successfully transferred by the Selling Shareholders pursuant to the Offer for Sale;

the entire pre-Offer Equity Share capital of our Company, shall, unless otherwise permitted under the SEBI ICDR Regulations, be locked in for a period of six months from the date of Allotment in the Offer. In terms of Regulation 17(c) of the SEBI ICDR Regulations, Equity Shares held by a venture capital fund or alternative investment fund of category I or category II or a foreign venture capital investor shall not be locked-in for a period of six months from the date of Allotment, provided that such Equity Shares shall be locked in for a period of at least six months from the date of purchase by such shareholders.

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

In terms of Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or deposit taking housing finance companies as collateral security for loans granted by such entity, provided that such pledge of the Equity Shares is one of the terms of the sanctioned loan. However, such lock-in will continue pursuant to any invocation of the pledge and the transferee of the Equity Shares pursuant to such invocation shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period stipulated above.

e) **Recording of non-transferability of Equity Shares locked-in**

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

f) **Lock-in of Equity Shares Allotted to Anchor Investors**

50% of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period 90 days from the date of Allotment and the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

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

Except for the transfer of 13,344,200 Equity Shares of ₹ 5 each from Rasmi Anil Kumar to our Promoter, Anil Kumar P by way of gift deed dated March 29, 2024, none of our Promoters, the members of the Promoter Group, our Directors or their relatives have purchased, acquired or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

h) **Details of acquisitions through secondary transactions of the securities of our Company**:

Except as disclosed in the *"- **Build-up of Promoters' shareholding in our Company**"* on page 91 and as set out below, there have been no acquisitions through secondary transactions of the Equity Shares of our Company:

S. No.	Name of Transferor	Transferee/Name of major shareholder	Date of acquisition	No. of Equity Shares Acquired	Face value (₹)*	Amount of consideration (₹)	Price of acquisition	Mode of acquisition
1.	Preetham S V	Rajanikanth Balaraman	September 2, 2017	1	100	100	100	Transfer
2.	Rajanikanth Balaraman	Preetham S V	December 16, 2017	1	100	100	100	Transfer
3.	Rasmi Anil Kumar	Anil Kumar P	March 29, 2024	13,344,200	5	-	-	Gift

9. *Shareholding pattern of our Company*

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of Equity Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of voting rights			Total as a % of (A+B + C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class eg: Equity Shares	Class eg: Others	Total								
(A)	Promoter and Promoter Group	6	43,776,600	-	-	43,776,600	91.83	43,776,600	-	43,776,600	91.83	-	91.83	-	-	-	-	43,776,600
(B)	Public	5	3,895,570	-	-	3,895,570	8.17	3,895,570	-	3,895,570	8.17	-	8.17	-	-	-	-	3,895,570
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C+C1+C2)	**11**	**47,672,170**	**-**	**-**	**47,672,170**	**100.00**	**47,672,170**	**-**	**47,672,170**	**100.00**	**-**	**100.00**	**-**	**-**	**-**	**-**	**47,672,170**

10. ***Employee stock option plan of the Company***

Our Board of Directors and our Shareholders approved the ESOP Policy pursuant to the board resolution and shareholders' resolution each dated June 22, 2024, respectively. Pursuant to the ESOP Policy, options to acquire Equity Shares may be granted to eligible "employees" including (i) an employee as designated by the Company, who is exclusively working in India or outside India; or (ii) a director of the Company, whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, but at all times excluding an independent director of the Company; or (iii) an employee as defined in (i) or (ii) above, of a group company including any subsidiary, in India or outside India, but excludes an employee who is a promoter or a person belonging to the promoter group; or a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the issued and subscribed Equity Shares of the Company. The ESOP Policy is compliant with the SEBI SBEB Regulations. The ESOP Policy contemplates that the total number of Equity Shares to be issued pursuant to exercise of options shall not exceed 1% of issued capital approx. 5,00,000 Equity Shares having face value of ₹ 5/- each.

As on the date of this Draft Red Herring Prospectus, our Company has 11 equity shareholders.

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

Except as stated below, none of our Directors or Key Managerial Personnel or members of Senior Management hold any Equity Shares.

Name	**Number of Equity Shares**	**Percentage of pre-Offer Equity Share capital**
Anil Kumar P	13,344,200	27.99
Ramakrishna Kamojhala	7,879,620	16.53
Mani P	7,879,620	16.53
Rajanikanth Balaraman	7,879,620	16.53
Preetham S V	5,253,360	11.02
Total	**42,236,420**	**88.60**

For further details, please see, "***Our Promoters and Promoter Group***" on page 235.

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

(a) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as on the date of this Draft Red Herring Prospectus:

Sr. No.	**Name of Shareholder**	**Number of Equity Shares**	**Percentage of pre-Offer Equity Share capital**
1.	Anil Kumar P	13,344,200	27.99
2.	Ramakrishna Kamojhala	7,879,620	16.53
3.	Mani P	7,879,620	16.53
4.	Rajanikanth Balaraman	7,879,620	16.53
5.	Preetham S V	5,253,360	11.02
6.	Rasmi Anil Kumar	1,540,180	3.23
7.	ValueQuest SCALE Fund*	1,466,836	3.08
8.	Evolvence India Fund IV Ltd	1,466,836	3.08
9.	Steadview Capital Mauritius Limited	733,418	1.54
	Total	**47,443,690**	**99.52**

**a scheme of ValueQuest Alternate Investment Trust.*

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

Sr. No.	**Name of Shareholder**	**Number of Equity Shares**	**Percentage of pre-Offer Equity Share capital**
1.	Anil Kumar P	13,344,200	27.99
2.	Ramakrishna Kamojhala	7,879,620	16.53
3.	Mani P	7,879,620	16.53
4.	Rajanikanth Balaraman	7,879,620	16.53
5.	Preetham S V	5,253,360	11.02
6.	Rasmi Anil Kumar	1,540,180	3.23

Sr. No.	Name of Shareholder	Number of Equity Shares	Percentage of pre-Offer Equity Share capital
7.	ValueQuest SCALE Fund*	1,466,836	3.08
8.	Evolvence India Fund IV Ltd	1,466,836	3.08
9.	Steadview Capital Mauritius Limited	733,418	1.54
	Total	**47,443,690**	**99.52**

**a scheme of ValueQuest Alternate Investment Trust.*

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

Sr. No.	Name of Shareholder	Number of Equity Shares	Percentage of pre-Offer Equity Share capital
1.	Rasmi Anil Kumar	35,439	33.82
2.	Ramakrishna Kamojhala	18,761	17.91
3.	Mani P	18,761	17.91
4.	Rajanikanth Balaraman	18,761	17.91
5.	Preetham S V	12,508	11.94
	Total	**104,230**	**99.48**

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

Sr. No.	Name of Shareholder	Number of Equity Shares	Percentage of pre-Offer Equity Share capital
1.	Rasmi Anil Kumar	35,439	33.82
2.	Ramakrishna Kamojhala	18,761	17.91
3.	Mani P	18,761	17.91
4.	Rajanikanth Balaraman	18,761	17.91
5.	Preetham S V	12,508	11.94
	Total	**104,230**	**99.48**

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

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

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

16. None of the BRLMs and their respective associates (as defined under the SEBI (Merchant Bankers) Regulations, 1992) hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

17. None of the Shareholders as on the date of this Draft Red Herring Prospectus are directly or indirectly related to the Book Running Lead Managers or their associates as defined under SEBI Merchant Bankers Regulations.

18. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares of our Company, as on the date of this Draft Red Herring Prospectus.

19. No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

20. Except for the allotment of specified securities pursuant to the Fresh Issue, and any allotment of Equity Shares pursuant to ESOP Policy aggregating up to 500,000 Equity Shares of face value of ₹ 5 each, there will be no further issue of specified securities whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded or unblocked on account of non-listing, under-subscription etc., as the case may be.

21. Except for the Equity Shares to be allotted pursuant to the Fresh Issue there is no proposal or intention, negotiations or consideration by our Company to alter its capital structure by way of split or consolidation of the Equity Shares or issue of Equity Shares or convertible securities on a preferential basis or issue of bonus or rights or further public offer of such securities, within a period of six months from the Bid/Offer Opening Date.

22. Neither the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs sponsored by entities which are associates of the BRLMs or FPIs other than individuals, corporate bodies and family offices which are associates of the BRLMs or pension funds sponsored by entities which are associates of the BRLMs) shall apply in the Offer under the Anchor Investor Portion. Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) 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 (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

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

24. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time. All transactions in Equity Shares by our Promoters and members of our Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.

25. Except for Ramakrishna Kamojhala, Mani P, Rajanikanth Balaraman, Preetham S V and Rasmi Anil Kumar who will participate in the Offer for Sale, none of our Promoters and the members of the Promoter Group shall participate in the Offer.

26. Employee stock options issued under the ESOP Policy or under any other previous employee stock option scheme or any other employee benefit scheme of the Company has been and shall be issued to only employees, from time to time, in accordance with prevailing applicable laws.

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue by our Company and the Offer for Sale by the Selling Shareholders.

Offer for Sale

The Selling Shareholders will be entitled to their respective portion of the proceeds from the Offer for Sale, after deducting their respective portion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders and the proceeds from the Offer for Sale will not form part of the Net Proceeds. For further details, please see "- ***Offer expenses***" on page 118.

Fresh Issue

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

1. Funding of capital expenditure for expansion through purchase of machineries and equipment by our Company;

2. Funding working capital requirements of our Company;

3. Investment in our Material Subsidiary for:

   (i) purchase of machineries and equipment;

   (ii) funding its working capital requirements; and

   (iii) repayment / prepayment, in full or part, of certain borrowings availed by our Material Subsidiary; and

4. General corporate purposes.

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

The main objects and objects incidental and ancillary to the main objects, as set out in our Memorandum of Association, enable our Company to undertake (i) our existing business activities and (ii) the activities proposed to be funded through the Net Proceeds. In addition, our Company expects to receive the benefits of listing of Equity Shares on the Stock Exchanges including enhancing our visibility and our brand image among our existing and potential customers and creating a public market for our Equity Shares in India.

Our capital expenditure which represents property, plant and equipment and capital work-in-progress (net) for Fiscals 2024, 2023 and 2022 are set out below in the respective tables:

Particulars	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
	Amount (₹ million)		
Property, Plant and equipment*	267.04	82.16	15.74
Capital Work-in-progress**	0.24	0.40	30.26
Total	267.28	82.56	46.00

* *Property, Plant and equipment is calculated as gross block of addition to the Property, Plant and equipment less deletion of gross block value of Property, Plant and equipment*

** *Capital Work-in-progress is the closing balance of Capital Work-in-progress*

Net Proceeds

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

(₹ in million)

Particulars	**Amount**
Gross Proceeds from the Fresh Issue	Up to ₹ 2,500.00 million
Less: Estimated Offer related expenses in relation to the Fresh Issue*	[●]
Net Proceeds from the Fresh Issue after deducting the Offer related expenses to be borne by our Company ("**Net Proceeds**")*	[●]

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

Utilization of Net Proceeds and Schedule of Implementation and Deployment

The Net Proceeds are proposed to be deployed in accordance with the schedule set forth below:

(₹ in million)

Particulars	Total estimated cost	Amount which will be financed from Net Proceeds[(1)]	Estimated Utilization of Net Proceeds in Fiscal 2025	Estimated Utilization of Net Proceeds in Fiscal 2026	Estimated Utilization of Net Proceeds in Fiscal 2027
1. Funding of capital expenditure for expansion through purchase of machineries and equipment by our Company	328.20	328.20	185.07	143.13	-
2. Funding working capital requirements of our Company	252.85	252.85	-	134.56	118.29
Total (A)	581.05	581.05	185.07	277.69	118.29
3. Investment in our Material Subsidiary for					
(i) Funding of capital expenditure for expansion through purchase of machineries and equipment	441.41	441.41	220.16	221.25	-
(ii) Funding working capital requirements	447.15	447.15	-	233.29	213.87
(iii) Repayment / prepayment, in full or part, certain borrowings	400.00	400.00	400.00	-	-
Total (B)	1,288.56	1,288.56	620.16	454.54	213.87
Total (A) + (B)	1,869.61	1,869.61	805.23	732.23	332.16
4. General corporate purposes [(2)]	[●]	[●]	[●]	[●]	[●]
Total of Net Proceeds from Fresh Issue	[●]	[●]	[●]	[●]	[●]

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

(2) *The amount shall not exceed 25% of the Gross Proceeds.*

The fund requirement, the deployment of funds and the intended use of the Net Proceeds indicated above is based on the current management estimates, current circumstances of our business plan and the prevailing market conditions, which may be subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. See "***Risk Factors – 25. Objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders' approval.***" on page 48. 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 and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with the applicable laws. Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for the purposes set forth above, such additional funds for a particular activity may be financed by surplus funds including from internal accruals and any additional equity and/or debt arrangements from existing and future lenders, subject to compliance with applicable law.

Subject to applicable law, if the actual utilisation 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 Gross Proceeds from the Fresh 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, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe 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 Offer. In the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Offer during the period stated above due to factors such as (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with applicable laws.

Details of the Objects of the Fresh Issue

1. Funding of capital expenditure for expansion through purchase of machineries and equipment by our Company

We have increased our installed capacity over the years and are utilizing 95.24% of our installed capacity in Fiscal Year 2024.

The table below sets out our Company's installed capacity over the last three Fiscal Years:

As of, and for year ended March 31*,								
2024			**2023**			**2022**		
Annual Installed Capacity (Hours)	**Annual utilization Hours (Hours)**	**Capacity Utilization (%)**	**Annual Installed Capacity (Hours)**	**Annual Actual Production (Hours)**	**Capacity Utilization (%)**	**Annual Installed Capacity (Hours)**	**Annual Actual Hours (Hours)**	**Capacity Utilization (%)**
43,170.00	41,113.64	95.24%	43,170.00	40,963.61	94.89%	38,220.00	35,781.00	93.62%

**As certified by Nagsons Engineers & Consultants, Independent Chartered Engineer by way of their certificate dated August 19, 2024.*

In order to meet the increasing demand of our existing and new customers, we intend to further expand our existing capacities by purchasing additional machineries and equipment. The machineries and equipment procured for the purpose of expanding our capacities will be installed at our existing facility in Unit I.

On an ongoing basis, we invest in the procurement of equipment, which is utilized by us in carrying out our business and the future requirements estimated by our management. We propose to utilize ₹ 328.20 million out of the Net Proceeds towards purchase of below mentioned equipment. While we propose to utilize ₹ 328.20 million towards purchasing equipment, based on our current estimates, the specific number and nature of such equipment to be procured by our Company will depend on our business requirements. An indicative list of such equipment that we intend to purchase, along with details of the quotations we have received in this respect is set forth below:

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Year of Utilization	Machine	Brand	Company name	Model	Qty	Unit price^	Date of quotation	Delivery terms	Final total price excluding taxes^	Quote validity	BCD^	SAD^	GST^	Total Value including taxes^	Purpose
2024-25	VMC	HAAS	M/s. HAAS AUTOMATION INC	VF5 /40-I	2	7,381,440.00	July 23, 2024	CIF Chennai	14,762,880.00	March 31, 2025	1,181,030.40	2,657,318.40	-	18,601,228.80	Purpose of this machine is to produce highly precise and accurate parts with tight tolerances. Allows for the creation of parts with intricate designs and detailed features using three-axis movement (X, Y, and Z). Integrates with CAD/CAM software, enabling a seamless transition from design to production.
2025-26	VMC	AWEA	AWEA Mechantronic Co LTD	VP 3012	1	12,758,148.00	August 01, 2024	FOB Taiwan	12,758,148.00	March 31, 2025	1,020,651.84	2,296,466.64	-	16,075,266.48	Purpose of machine is to machine larger work envelope to accommodate bigger workpieces that cannot be machined on smaller milling centers. Capable of handling large and heavy workpieces with ease
2024-25	VMC	Makino	Makino India Private Limited	Slim 5N with PC	4	6,400,000.00	July 26, 2024	DAP	25,600,000.00	March 30, 2025	-	-	4,608,000.00	30,208,000.00	Capable of producing highly precise and accurate parts with tight tolerances. Ensures consistent part quality across large production runs. Allows for continuous machining operations by automatically swapping pallets with preloaded workpieces, reducing downtime.
2024-25	VMC	Makino	Makino India Private Limited	Slim 5N	2	5,800,000.00	July 29, 2024	DAP	11,600,000.00	March 30, 2025	-	-	2,088,000.00	13,688,000.00	Capable of producing highly precise and accurate parts with tight tolerances. Ensures consistent part quality across large production runs. Ideal for creating complex geometries and features that are difficult to achieve with manual machines.
2024-25	VMC	Makino	Makino India Private Limited	Slim 3N	4	8,430,000.00	July 29, 2024	DAP	33,720,000.00	March 30, 2025	-	-	6,069,600.00	39,789,600.00	Capable of producing highly precise and accurate parts with tight tolerances. Ensures consistent part quality across large production runs. Ideal for creating complex geometries and features that are difficult to achieve with manual machines.
2024-25	Turning	Tsugami	Tsugami Precision Engineering India Pvt Ltd	Mi08JL5-II	3	2,700,000.00	August 05, 2024	DAP	8,100,000.00	March 31, 2025	-	-	1,458,000.00	9,558,000.00	CNC turning centers are capable of producing highly precise and accurate parts with tight tolerances. Capable of performing complex operations such as threading, drilling, boring, and contouring in a single setup.

Year of Utilization	Machine	Brand	Company name	Model	Qty	Unit price^	Date of quotation	Delivery terms	Final total price excluding taxes^	Quote validity	BCD^	SAD^	GST^	Total Value including taxes^	Purpose
2024-25	Turnmill	Tsugami	Tsugami Precision Engineering India Pvt Ltd	Mi08DY-II	2	6,275,000.00	August 05, 2024	DAP	12,550,000.00	March 31, 2025	-	-	2,259,000.00	14,809,000.00	CNC turn mill centers are capable of producing highly precise and accurate parts with tight tolerances. Performs both turning and milling operations, allowing for the complete machining of parts with both rotational and prismatic features. Reduces the need for multiple setups and transfers between different machines, improving efficiency and accuracy.
2024-25	Turning	HAAS	M/s. HAAS AUTOMATION INC	ST30L	1	7,549,200.00	July 23, 2024	CIF Chennai	7,549,200.00	March 31, 2025	603,936.00	1,358,856.00	-	9,511,992.00	CNC turning centers are capable of producing highly precise and accurate parts with tight tolerances. Capable of performing complex operations such as threading, drilling, boring, and contouring in a single setup.
2025-26	VMC	Makino	Makino Asia PTE LTD	DA300	4	25,210,131.00	July 26, 2024	CIF Chennai	100,840,524.00	March 30, 2025	8,067,241.92	18,151,294.32	-	127,059,060.24	It is used to machine complex shapes and features in a single setup, which is difficult or impossible to achieve with a 3-axis machine. Ideal for intricate contouring and sculpted surfaces. Shorter production times as multiple faces of a part can be machined without repositioning.
2024-25	CMM	Carl Ziess	Carl Zeiss India (Bangalore) Pvt. Ltd	CONTURA	1	11,400,000.00	August 02, 2024	DAP	11,400,000.00	March 31, 2025	0	-	2,052,000.00	13,452,000.00	Provides highly accurate measurements of parts and assemblies, ensuring they meet design specifications. Capable of measuring complex shapes and intricate features that are difficult to measure with traditional tools.
2024-25	VTL	Jagdeep	Jagdeep machines (India) Pvt. Ltd	JVTC-1.5	1	15,540,000.00	August 05, 2024	Ex works	15,540,000.00	March 31, 2025	-	-	2,797,200.00	18,337,200.00	Purpose of this machine is to accommodates very large and heavy workpieces that cannot be handled by standard lathes. Suitable for the heavy-duty turning and milling operations required in industries such as aerospace, shipbuilding, and energy.
2024-25	VTL	Jagdeep	Jagdeep machines (India) Pvt. Ltd	JVTC-1.2	1	14,500,000.00	August 01, 2024	Ex works	14,500,000.00	March 31, 2025	-	-	2,610,000.00	17,110,000.00	Purpose of this machine is to accommodates very large and heavy workpieces that cannot be handled by standard lathes. Suitable for the heavy-duty turning and milling operations required in

Year of Utilization	Machine	Brand	Company name	Model	Qty	Unit price^	Date of quotation	Delivery terms	Final total price excluding taxes^	Quote validity	BCD^	SAD^	GST^	Total Value including taxes^	Purpose
															industries such as aerospace, shipbuilding, and energy.
Total						**-**	**-**	**-**	**268,920,752.00**	**-**	**10,872,860.00**	**24,463,935.00**	**23,941,800.00**	**328,199,348.00**	-

^Exchange rates as on August 17, 2024 (Source:www.xe.com)
USD - ₹ 83.88, SGD - ₹ 63.73, Japanese Yen – 0.57

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The quotations in relation to the equipment are valid as on the date of this Draft Red Herring Prospectus. Some of the quotations mentioned above do not include cost of freight, insurance, octroi, entry tax, customs duty 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 proposed to be utilised towards the purchase of capital equipment or through internal accruals, if required.

We have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or at the same costs. The quantity of equipment to be purchased has been based on management estimates and our business requirements. Our Company shall have the flexibility to deploy such equipment according to the business requirements of our Company and based on estimates of our management. No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the units mentioned above is proposed to be acquired in a ready-to-use condition.

Further, our Promoters, Directors, Key Managerial Personnel and Senior Managerial Personnel do not have any interest in the proposed acquisition of the equipment or in the entity from whom we have obtained quotations in relation to such proposed acquisition of the equipment.

2. *Funding working capital requirements of our Company*

We have historically funded a majority of our working capital requirements in the ordinary course of business from our internal accruals and financing from banks. As on March 31, 2024 our Company's working capital facilities consisted of an aggregate exposure of ₹ 20.00 million. Our business is growing at a substantial rate, an increase in the revenue generated from our existing new customers and expansion of capacity will increase our working capital requirements. Our Company requires additional working capital for meeting the future demand for its products, for funding future growth requirements of our Company and for other business purposes, and the Net Proceeds deployed towards funding our working capital requirements are proposed to be utilised for the aforesaid purposes. For further details of our business, please see "***Our Business***" on page 180.

Basis of estimation of working capital requirement and estimated working capital requirement

Set forth below are the details of our Company's existing working capital requirement as at March 31, 2022, March 31, 2023 and March 31, 2024, derived from the audited standalone financial statements:

(₹ in million)

S N	Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024
I.	**Current assets**			
1	Inventories	39.58	40.40	61.77
2	Trade receivables	69.66	83.50	84.44
3	Short term loans	68.49	75.44	0.00
4	Other financial assets	5.66	7.15	43.54
5	Current tax assets (net)	2.18	0.00	15.22
6	Other current assets	31.19	20.44	47.58
	Total current assets (A)	**216.75**	**226.92**	**252.55**
II.	**B. Current liabilities**			
1	Lease liabilities	7.07	8.22	10.41
2	Trade payables	22.79	15.96	57.54
3	Other financial liabilities	7.74	14.07	11.06
4	Other current liabilities	5.26	1.60	6.67
5	Short-term provisions	2.06	3.83	12.13
6	Current Tax Liabilities	0.00	1.23	0.00
	Total current liabilities (B)	**44.92**	**44.91**	**97.80**
III	**Working capital requirements (A-B)**	**171.83**	**182.01**	**154.74**
IV	**Funding Pattern**			
	Short term borrowings	30.52	26.53	20.00
	Internal accruals	141.31	155.48	134.74
	Total Means of Finance	**171.83**	**182.01**	**154.74**

**As certified by Vishnu Daya & Co LLP, Independent Chartered Accountants, with firm registration number 008456S, by way of their certificate dated August 19, 2024.*

On the basis of our existing working capital requirements, the details of our Company's expected working capital requirements and holding period, as approved by our Board pursuant to a resolution dated August 19, 2024 are as provided below:

(in ₹ million)

S N	Particulars	Estimated Amount as on March 31, 2025*	Estimated Amount as on March 31, 2026*	Estimated Amount as on March 31, 2027*
I.	**Current assets**			
1	Inventories	115.25	195.05	264.46
2	Trade receivables	157.56	263.98	354.39
3	Short term loans	0.00	0.00	0.00
4	Other financial assets	43.54	43.54	43.54
5	Current tax assets (net)	15.22	15.22	15.22
6	Other current assets	105.47	175.14	225.36
	Total current assets (A)	**437.04**	**692.93**	**902.97**
II.	**Current liabilities**			
1	Trade payables	111.86	185.76	239.02
2	Lease liabilities	24.22	13.04	-
3	Other financial liabilities	11.06	11.06	11.06
4	Other current liabilities	6.67	6.67	6.67
5	Short-term provisions	12.13	12.13	12.13
	Total current liabilities (B)	**165.94**	**228.66**	**268.88**
III	**Working capital requirements (A-B)**	**271.10**	**464.27**	**634.09**
IV	**Funding Pattern**			
	Net Proceeds from the Fresh Issue		134.56	252.85
	- Short Term Borrowings	20.00	20.00	20.00
	- Internal accruals	251.10	309.71	361.24
	Total	**271.10**	**464.27**	**634.09**

* *As certified by Vishnu Daya & Co LLP, Independent Chartered Accountants, with firm registration number 008456S, by way of their certificate dated August 19, 2024.*

Our Company proposes to utilize up to ₹ 252.85 million from the Net Proceeds towards funding our working capital requirements. Our Company expects that the funding pattern for working capital requirements for Fiscal 2026 and Fiscal 2027 will comprise of working capital funding from Net Proceeds, short term borrowings and internal accruals.

The estimates of working capital requirements and proposed funding requirements for Fiscal 2025, Fiscal 2026 and Fiscal 2027 as approved by the Board pursuant to a resolution dated August 19, 2024, are set forth below:

(in ₹ million)

Particulars	Estimated Amount as on March 31, 2025	Estimated Amount as on March 31, 2026	Estimated Amount as on March 31, 2027
Incremental Working Capital Requirement	**116.35**	**193.18**	**169.82**
Funding Pattern			
Short Term Borrowings	-	-	-
Net Proceeds from the Fresh Issue	-	134.56	118.29
Internal Accruals	116.35	58.62	51.53
Total	**116.35**	**193.18**	**169.82**

* *As certified by Vishnu Daya & Co LLP, Independent Chartered Accountants, with firm registration number 008456S, by way of their certificate dated August 19, 2024.*

Key assumptions for working capital requirements

The table hereunder contains the holding period (with days rounded to the nearest number) and justifications for holding period levels on the basis of the audited standalone financial statements:

Particulars	Number of days for the period/ fiscal ended					
	FY22	**FY23**	**FY24**	**FY25**	**FY26**	**FY27**
- Inventory	248	147	148	148	148	148
- Receivables	156	107	100	100	100	100
- Other Current Assets	195	74	114	114	114	114
- Payables	98	58	121	121	121	121

Note: As certified by Vishnu Daya & Co LLP, Independent Chartered Accountants, with firm registration number 008456S, by way of their certificate dated August 19, 2024

Justifications for holding period levels:

S. No.	Particulars	Assumptions
Current Assets		
1.	Inventories	In order to meet the requirement of our customers, we maintain inventory of semi-finished and finished goods. The holding period was 248 days for FY22, 147 days for FY23 and 148 days for FY24. Our holding period may vary basis the Purchase Orders and delivery schedules, hence we have anticipated our holding period for FY24 to continue for FY25, FY26 and FY27.
2.	Trade receivables	The holding levels of receivables were 156 days, 107 days and 100 days for FY22, FY23 and FY24 respectively. We expect the holding days for FY24 to continue up till FY27
3.	Other Current Assets	This consists of advance to suppliers, balances with Government suppliers and prepaid expenses. The holding level of other current assets was 195 days, 74 days and 114 days in FY22, FY23 and FY24 respectively. We have continued the holding period for FY24 through FY27
Current Liabilities		
4.	Trade Payables	Our trade payables days have neem 98 days, 58 days and 121 days for FY22, FY23 and FY24 respectively. We expect the holding period to remain the same as FY24, FY25 onwards

Note: As certified by Vishnu Daya & Co LLP, Independent Chartered Accountants, with firm registration number 008456S, by way of their certificate dated August 19, 2024

The Board pursuant to its resolution dated August 19, 2024 has approved the working capital requirements of our Company. See "***Material Contracts and Documents for Inspection – Material Documents***" on page 395.

3. *Investment in our Material Subsidiary*

Our Company proposes to utilise 1,288.56 million from the Net Proceeds towards investment in our Material Subsidiary for (i) funding of capital expenditure for expansion through purchase of machineries and equipment; (ii) funding working capital requirements; and (iii) repayment / prepayment, in full or part, certain borrowings in the form of equity or debt or a combination of both or in any other manner as may be mutually decided between the Company and our Material Subsidiary, in accordance with applicable law for investment in our Material Subsidiary. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus. We believe that the said investment in our Material Subsidiary will enhance the value of our investment and be in furtherance of our growth strategies.

(i) Funding of capital expenditure for expansion through purchase of machineries and equipment

We have increased our installed capacity over the years and are utilizing 93.62% of our installed capacity in Fiscal Year 2024. The table below sets out our Company's installed capacity over the last three Fiscal Years:

As of, and for year ended March 31*,								
2024			2023			2022		
Annual Installed Capacity (Hours)	Annual Actual Production (Hours)	Capacity Utilization (%)	Annual Installed Capacity (Hours)	Annual Actual Production (Hours	Capacity Utilization (%)	Annual Installed Capacity (Hours)	Annual Actual Production (Hours	Capacity Utilization (%)
1,79,820.00	1,68,348.85	93.62%	81,930.00	77,441.88	94.52%	61,590.00	58,592.00	95.13%

**As certified by Nagsons Engineers & Consultants, Independent Chartered Engineer by way of their certificate dated August 19, 2024.*

In order to meet the increasing demand of our existing and new customers, we intend to further expand our existing capacities by purchasing additional machineries and equipment. The machineries and equipment procured for the purpose of expanding our capacities will be installed at our existing facility in Unit II located at Devanahalli is situated in a Special Economic Zone ("**SEZ**") near Bangalore International Airport. We are in the process of further expanding our existing Unit II facility in Bangalore by increasing production capacity to meet the growing demand from our existing customers. Further, our Company has been allotted 4 acres of land in Devanahalli General Indsutrial Area in Bengaluru Rural, Karnataka vide allotment letter dated July 1, 2024 issued by the Karnataka Industrial Areas Development Board

On an ongoing basis, we invest in the procurement of equipment, which is utilized by us in carrying out our business and the future requirements estimated by our management. We propose to utilize ₹ 441.41 million out of the Net Proceeds towards purchase of below mentioned equipment. While we propose to utilize ₹ 441.41 million towards purchasing equipment, based on our current estimates, the specific number and nature of such equipment to be procured by our Company will depend on our business requirements. An indicative list of such equipment that we intend to purchase, along with details of the quotations we have received in this respect is set forth below:

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Year of Utilization	Machine	Brand	Company name	Model	Date of quotation	Qty	Unit price^	Final total price^	Delivery terms	Quote validity	Purpose
2024-25	VMC	HAAS	M/s. HAAS AUTOMATION INC	VF6 /50	July 23, 2024	2	11,910,960.00	23,821,920.00	CIF Chennai	March 31, 2025	Purpose of this machine is to produce highly precise and accurate parts with tight tolerances. Allows for the creation of parts with intricate designs and detailed features using three-axis movement (X, Y, and Z). Integrates with CAD/CAM software, enabling a seamless transition from design to production.
2024-25	VMC	Makino	Makino India Private Limited	Slim 5N with PC	July 31, 2024	6	6,400,000.00	38,400,000.00	DAP	March 30, 2025	Capable of producing highly precise and accurate parts with tight tolerances. Ensures consistent part quality across large production runs. Allows for continuous machining operations by automatically swapping pallets with preloaded workpieces, reducing downtime.
2025-26	VMC	Takumi	Takumi Precision Co. LTD	H16	August 1, 2024	1	16,608,240.00	16,608,240.00	FOB Taiwan	March 31, 2025	Purpose of machine is to machine larger work envelope to accommodate bigger workpieces that cannot be machined on smaller milling centers. Capable of handling large and heavy workpieces with ease
2024-25	VMC	Makino	Makino India Private Limited	Slim 3N	July 31, 2024	4	8,430,000.00	33,720,000.00	DAP	March 30, 2025	Capable of producing highly precise and accurate parts with tight tolerances. Ensures consistent part quality across large production runs. Ideal for creating complex geometries and features that are difficult to achieve with manual machines.
2024-25	Turning	Tsugami	Tsugami Precision Engineering India Pvt Ltd	Mi08JL5-II	August 5, 2024	1	2,800,000.00	2,800,000.00	DAP	March 31, 2025	CNC turning centers are capable of producing highly precise and accurate parts with tight tolerances. Capable of performing complex operations such as threading, drilling, boring, and contouring in a single setup.
2024-25	Turning	Tsugami	Tsugami Precision Engineering India Pvt Ltd	Mi08JL5-II	August 5, 2024	1	2,700,000.00	2,700,000.00	DAP	March 31, 2025	CNC turning centers are capable of producing highly precise and accurate parts with tight tolerances. Capable of performing complex operations such as threading, drilling, boring, and contouring in a single setup.
2024-25	Turnmill	Tsugami	Tsugami Precision Engineering India Pvt Ltd	Mi08DY-II	August 5, 2024	2	6,275,000.00	12,550,000.00	DAP	March 31, 2025	CNC turn mill centers are capable of producing highly precise and accurate parts with tight tolerances. Performs both turning and milling operations, allowing for the complete machining of parts with both rotational and prismatic features. Reduces the need for multiple setups and transfers between different machines, improving efficiency and accuracy.
2024-25	VTL	Jagdeep	Jagdeep machines (India) Pvt. Ltd	JVTC-2.0	August 1, 2024	1	19,670,000.00	19,670,000.00	Ex works	March 31, 2025	Purpose of this machine is to accommodates very large and heavy workpieces that cannot be handled by standard lathes. Suitable for the heavy-duty turning and milling operations required in industries such as aerospace, shipbuilding, and energy.
2024-25	VTL	Jagdeep	Jagdeep machines (India) Pvt. Ltd	JVTC-1.5	August 5, 2024	1	15,540,000.00	15,540,000.00	Ex works	March 31, 2025	Purpose of this machine is to accommodates very large and heavy workpieces that cannot be handled by standard lathes. Suitable for the heavy-duty turning and milling operations required in industries such as aerospace, shipbuilding, and energy.

Year of Utilization	Machine	Brand	Company name	Model	Date of quotation	Qty	Unit price^	Final total price^	Delivery terms	Quote validity	Purpose
2024-25	Turning	HAAS	M/s. HAAS AUTOMATIO N INC	ST-45	August 1, 2024	2	13,085,280. 00	26,170,560.00	CIF Chennai	March 31, 2025	CNC turning centers are capable of producing highly precise and accurate parts with tight tolerances. Capable of performing complex operations such as threading, drilling, boring, and contouring in a single setup.
2024-25	Turning	HAAS	M/s. HAAS AUTOMATIO N INC	ST30L	August 1, 2024	1	7,549,200.0 0	7,549,200.00	CIF Chennai	March 31, 2025	CNC turning centers are capable of producing highly precise and accurate parts with tight tolerances. Capable of performing complex operations such as threading, drilling, boring, and contouring in a single setup.
2025-26	H Boring	AWEA	AWEA Mechantronic Co LTD	BL3024S	August 2, 2024	1	33,552,000. 00	33,552,000.00	FOB Taiwan	March 31, 2025	A large horizontal boring machine is designed to handle heavy-duty and precision machining tasks on large and cumbersome workpieces. It is particularly valuable in industries that require machining of substantial components with high accuracy and efficiency. Precisely enlarges existing holes in a workpiece to meet exact dimensions and tolerances. Capable of drilling deep and large-diameter holes with high accuracy and consistency
2025-26	VMC	Makino	Makino Asia PTE LTD	DA500	July 26, 2024	2	37,779,201. 00	75,558,402.00	CIF Chennai	March 30, 2025	It is used to machine complex shapes and features in a single setup, which is difficult or impossible to achieve with a 3-axis machine. Ideal for intricate contouring and sculpted surfaces. Shorter production times as multiple faces of a part can be machined without repositioning.
2025-26	VMC	Takumi	Takumi Precision Co. LTD	UBL 2340	August 2, 2024	1	46,637,280. 00	46,637,280.00	FOB Taiwan	March 31, 2025	Purpose of this machine is to allow simultaneous movement along five axes (X, Y, Z, and two rotary axes), enabling the machining of complex geometries that would be impossible with 3-axis or 4-axis machines. Capable of producing parts with intricate and detailed designs, including those with undercuts, deep cavities, and complex contours. Achieves high precision and tight tolerances, essential for industries like aerospace
2024-25	Turning	HAAS	M/s. HAAS AUTOMATIO N INC	ST-40	July 29, 2024	1	10,233,360. 00	10,233,360.00	CIF Chennai	March 31, 2025	CNC turning centers are capable of producing highly precise and accurate parts with tight tolerances. Capable of performing complex operations such as threading, drilling, boring, and contouring in a single setup.
2024-25	CMM	Carl Ziess	Carl Zeiss India (Bangalore) Pvt. Ltd	CONTU RA	August 7, 2024	1	11,400,000. 00	11,400,000.00	DAP	March 31, 2025	Provides highly accurate measurements of parts and assemblies, ensuring they meet design specifications. Capable of measuring complex shapes and intricate features that are difficult to measure with traditional tools.
2025-26	VMC	AWEA	AWEA Mechantronic Co LTD	HTP 4033	August 1, 2024	1	36,907,200. 00	36,907,200.00	FOB Taiwan	March 31, 2025	Purpose of machine is to machine larger work envelope to accommodate bigger workpieces that cannot be machined on smaller milling centers. Capable of handling large and heavy workpieces with ease
2025-26	Wirecut	Makino	Makino Asia PTE LTD	U3	July 28, 2024	1	11,989,524. 90	11,989,524.90	CIF Chennai	March 30, 2025	Purpose of this machine is to achieves extremely tight tolerances, often within a few micrometers, making it suitable for applications requiring high precision. Can cut through hard

Year of Utilization	Machine	Brand	Company name	Model	Date of quotation	Qty	Unit price^	Final total price^	Delivery terms	Quote validity	Purpose
											and tough materials such as hardened steel, carbide, titanium, and exotic alloys.
2024-25	VMC	HAAS	Manav Marketing Pvt Ltd	VF-4	August 2, 2024	3	5,200,000.00	15,600,000.00	DAP	March 31, 2025	Purpose of this machine is to produce highly precise and accurate parts with tight tolerances. Allows for the creation of parts with intricate designs and detailed features using three-axis movement (X, Y, and Z). Integrates with CAD/CAM software, enabling a seamless transition from design to production.
Total								**441,407,686.90**			

^ ***(****Since Unit II is located in the Aerospace SEZ, duties and taxes are not applicable)*

Exchange rates as on August 17, 2024 (Source:www.xe.com)

USD - ₹ 83.88, SGD - ₹ 63.73, Japanese Yen – 0.57

The quotations in relation to the equipment are valid as on the date of this Draft Red Herring Prospectus. Some of the quotations mentioned above do not include cost of freight, insurance, octroi, entry tax, customs duty 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 proposed to be utilised towards the purchase of capital equipment or through internal accruals, if required.

We have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or at the same costs. The quantity of equipment to be purchased will be based on management estimates and our business requirements. Our Company shall have the flexibility to deploy such equipment according to the business requirements of our Company and based on estimates of our management. No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the units mentioned above is proposed to be acquired in a ready-to-use condition.

Further, our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed acquisition of the equipment or in the entity from whom we have obtained quotations in relation to such proposed acquisition of the equipment.

(ii) Funding incremental working capital requirements

We have historically funded a majority of our working capital requirements in the ordinary course of business from our internal accruals and financing from banks. As on March 31, 2024 our Material Subsidiary's working capital facilities consisted of an aggregate exposure of ₹ 90.22 million. Our business is growing at a substantial rate, an increase in the revenue generated from our existing new customers and expansion of capacity will increase our working capital requirements. Our Material Subsidiary requires additional working capital for meeting the future demand for its products, for funding future growth requirements of our Material Subsidiary and for other business purposes, and the Net Proceeds deployed towards funding our working capital requirements are proposed to be utilised for the aforesaid purposes. This investment shall be carried out in either in the form of debt or equity, which will be determined by our Company at the time of making such investment and has not been finalized as on the date of this Draft Red Herring Prospectus.

Basis of estimation of working capital requirement and estimated working capital requirement

Set forth below are the details of our Material Subsidiary's existing working capital requirement as at March 31, 2022, March 31, 2023 and March 31, 2024, derived from the audited standalone financial statements:

(₹ in million)

S N	Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024
I.	**Current assets**			
1	Inventories	7.66	109.33	135.55
2	Trade receivables	56.86	241.05	383.98
3	Short term loans & advances	0.00	0.00	0.00
4	Other financial assets	11.92	52.80	199.57
5	Other current assets	4.68	20.08	68.33
6	current tax assets (net)	0.00	0.00	24.36
	Total current assets (A)	**81.11**	**423.25**	**811.79**
II.	**Current liabilities**			
1	Lease Liabilities	3.61	0.00	0.00
2	Trade Payables	69.79	56.29	77.69
3	Other current liabilities	2.57	5.19	4.18
4	Other financial liabilities	2.94	19.59	22.61
5	Short-term provisions	2.93	8.33	183.60
6	Current tax liabilities (net)	9.85	18.86	0.00
	Total current liabilities (B)	**91.69**	**108.26**	**288.09**
III	**Working capital requirements (A-B)**	**-10.58**	**314.99**	**523.71**
IV	**Funding Pattern**			
	- Short term borrowings	-	165.44	90.22
	- Internal accruals	-	149.55	433.49
	Total Means of Finance	**0.00**	**314.99**	**523.71**

* *As certified by Vishnu Daya & Co LLP, Independent Chartered Accountants, with firm registration number 008456S, by way of their certificate dated August 19, 2024.*

On the basis of our existing working capital requirements, the details of our Material Subsidiary's expected working capital requirements and holding period, as approved by the board of the Material Subsidiary pursuant to a resolution dated August 19, 2024, are as provided below:

(in ₹ million)

S N	Particulars	Estimated Amount as on March 31, 2025	Estimated Amount as on March 31, 2026	Estimated Amount as on March 31, 2027
I.	**Current assets**			
1	Inventories	181.24	274.95	362.65
2	Trade receivables	500.50	748.60	973.66
3	Short term loans	0.00	0.00	0.00
4	Other financial assets	199.57	199.57	199.57
5	Current tax assets (net)	24.36	24.36	24.36
6	Other current assets	92.45	142.77	184.61
	Total current assets (A)	**998.12**	**1,390.25**	**1,744.85**
II.	**Current liabilities**			
1	Trade payables	105.12	162.34	209.91
2	Lease Liabilities	-	-	-
3	Other current liabilities	4.18	4.18	4.18
4	Other financial liabilities	22.61	22.61	22.61
5	Short-term provisions	183.60	183.60	183.60
6	Current tax liabilities (net)	-	-	-
	Total current liabilities (B)	**315.52**	**372.73**	**420.30**
III	**Working capital requirements (A-B)**	**682.60**	**1,017.51**	**1,324.55**
IV	**Funding Pattern**			
	Net Proceeds from the Fresh Issue	-	233.29	447.15
	- Short Term Borrowings	100.00	-	-
	- Internal accruals	582.60	784.23	877.40
	Total	**682.60**	**1,017.51**	**1,324.55**

* *As certified by Vishnu Daya & Co LLP, Independent Chartered Accountants, with firm registration number 008456S, by way of their certificate dated August 19, 2024.*

Our Material Subsidiary proposes to utilize up to ₹ 447.15 million from the Net Proceeds towards funding our working capital requirements. Our Material Subsidiary expects that the funding pattern for working capital requirements for Fiscal 2026 and Fiscal 2027 will comprise of working capital funding from Net Proceeds and internal accruals.

The estimates of working capital requirements and proposed funding requirements for Fiscal 2025, Fiscal 2026 and Fiscal 2027 as approved by the board of our Material Subsidiary pursuant to a resolution dated August 19, 2024, are set forth below:

(in ₹ million)

Particulars	Estimated Amount as on March 31, 2025	Estimated Amount as on March 31, 2026	Estimated Amount as on March 31, 2027
Incremental Working Capital Requirement	158.90	334.91	307.04
Funding Pattern			
- Short Term Borrowings	-	-	-
- Net Proceeds from the Fresh Issue	-	233.29	213.87
- Internal Accruals	158.90	101.63	93.17
Total	**158.90**	**334.91**	**307.04**

* *As certified by Vishnu Daya & Co LLP, Independent Chartered Accountants, with firm registration number 008456S, by way of their certificate dated August 19, 2024.*

Key assumptions for working capital requirements

The table hereunder contains the holding period (with days rounded to the nearest number) and justifications for holding period levels on the basis of the audited standalone financial statements:

Particulars	Number of days for the period/ fiscal ended					
	FY22	**FY23**	**FY24**	**FY25**	**FY26**	**FY27**
- Inventory	32	203	78	78	78	78
- Receivables	84	127	75	75	75	75
- Other Current Assets	18	25	38	38	38	38
- Payables	275	69	43	43	43	43

Note: As certified by Vishnu Daya & Co LLP, Independent Chartered Accountants, with firm registration number 008456S, by way of their certificate dated August 19, 2024.

Justifications for holding period levels:

S. No.	Particulars	Assumptions
Current Assets		
1.	Inventories	In order to meet the requirement of our customers, we maintain inventory of semi finished and finished goods. The holding period was 32 days for FY22, 203 days for FY23 and 78 days for FY24. Our holding period may vary basis the Purchase Orders and delivery schedules, hence we have anticipated our holding period for FY24 to continue for FY25, FY26 and FY27.
2.	Trade receivables	The holding levels of receivables were 84 days, 127 days and 75 days for FY22, FY23 and FY24 respectively. We expect the holding days for FY24 to continue up till FY27
3.	Other Current Assets	This consists of advance to suppliers, balances with Government suppliers and prepaid expenses. The holding level of other current assets was 18 days, 25 days and 38 days in FY22, FY23 and FY24 respectively. We have continued the holding period for FY24 through FY27
Current Liabilities		
4.	Trade Payables	Our trade payables days have neem 275 days, 69 days and 43 days for FY22, FY23 and FY24 respectively. We expect the holding period to remain the same as FY24, FY25 onwards

Note: As certified by Vishnu Daya & Co LLP, Independent Chartered Accountants, with firm registration number 008456S, by way of their certificate dated August 19, 2024.

The board of our Material Subsidiary has pursuant to its resolution dated August 19, 2024 has approved the working capital requirements of our Material Subsidiary. See "***Material Contracts and Documents for Inspection – Material Documents***" on page 395.

(iii) Repayment / prepayment, in full or in part, of certain borrowings availed by our Material Subsidiary.

Our Material Subsidiary has entered into various borrowing arrangements, including borrowings in the form of terms loans, fund based and non-fund based working capital facilities. For details of these financing arrangements including indicative terms and conditions, see "***Financial Indebtedness***" on page 294. As on July 31, 2024, our material subsidiary had outstanding borrowings of ₹ 690.65 million.

We intend to utilize an aggregate amount of ₹ 400.00 million from the Net Proceeds towards repayment/ prepayment of all or a portion of certain outstanding borrowings availed by our Material Subsidiary. The investment in our Material Subsidiary shall be in the form of equity or debt or a combination of both or in any other manner as may be mutually decided between the Company and our Material Subsidiary, in accordance with applicable law for investment in our Material Subsidiary. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus.

Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Given the nature of the borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, refinance or avail additional borrowings from the bank. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments and enhancement of sanctioned limits. In light of the above, if at the time of filing the Red Herring Prospectus, any of the below mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed, then the table below shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company.

In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular Financial Year may be repaid/ pre-paid in part or full by our Company in Fiscal 2025. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Material Subsidiary with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. We believe that such repayment or prepayment will help reduce our outstanding indebtedness on a consolidated basis and debt servicing costs, improve our debt to equity ratio, and enable utilization of the internal accruals for further investment towards business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities. The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements will be based on various factors, including (i) maturity profile and the remaining tenor of the loan, (ii) cost of the borrowing, including applicable interest rates, (iii) any conditions attached to the borrowings, restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, or relating to the terms of repayment, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any laws, rules and regulations governing such borrowings, and (vi) other commercial considerations including, among others, the amount of the loan outstanding.

The following table provides the details of outstanding amount of borrowings including interest thereon availed by our Company, as on July 31, 2024 which we propose to prepay or repay, in full or in part, from the Net Proceeds:

S. No	Name of the lender	Nature of borrowings	Sanction Date	Amount Sanctioned (₹ in million)	Amount outstanding as on July 31, 2024 (₹ in million)	Interest rate as on July 31, 2024	Repayment schedule/ tenor	Prepayment penalty conditions	Purpose of borrowing/ issuance
1.	Axis Bank Limited	USD Term Loan	June 17, 2021	52.10	15.53	Repo + 1.60% = 8.10% p.a. at present /SOFR + 1 .00% p.a	48	NA	For construction of building
2.	Axis Bank Limited	USD Term Loan	July 10, 2023	50.00	41.59	Repo + 1.60% = 8.10% p.a. at present /SOFR + 1 .00% p.a	60	NA	For construction of building
3.	Axis Bank Limited	USD Term Loan	July 10, 2023	25.00	23.81	Repo + 1.60% = 8.10% p.a. at present /SOFR + 1 .00% p.a	60	NA	For construction of building
4.	Axis Bank Limited	INR Term Loan	June 10, 2024	187.50	101.80	Repo + 1.60% = 8.10% p.a. at present /SOFR + 1 .00% p.a	60	NA	For construction of building
5.	Axis Bank Limited	USD Term Loan	June 17, 2021	11.20	3.35	Repo + 1.60% = 8.10% p.a. at present /SOFR + 1 .00% p.a	48	NA	For purchase of equipment
6.	Axis Bank Limited	USD Term Loan	September 15, 2022	18.75	12.91	Repo + 1.60% = 8.10% p.a. at present /SOFR + 1 .00% p.a	60	NA	For purchase of equipment
7.	Axis Bank Limited	USD Term Loan	July 10, 2023	75.00	61.60	Repo + 1.60% = 8.10% p.a. at present /SOFR + 1 .00% p.a	60	NA	For purchase of equipment
8.	Axis Bank Limited	INR Term Loan	June 10, 2024	262.50	230.05	Repo + 1.60% = 8.10% p.a. at present /SOFR + 1 .00% p.a	60	NA	For purchase of equipments
Total				**682.05**	**490.65**				

In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, our Material Subsidiary has obtained a certificate dated August 19, 2024 from the Statutory Auditors, certifying that the borrowings have been utilised towards the purposes for which such borrowings were availed.

4. General corporate purposes

Our Company intends to deploy the balance Net Proceeds aggregating up to ₹ [●] million (net of expenses in relation to the issue) towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in accordance with Regulation 7(2) of the SEBI ICDR Regulations, to drive our business growth, including, amongst other things, (i) meeting any expenses incurred in the ordinary course of business by our Company, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (ii) servicing of borrowings including payment of interest; (iii) brand building and other marketing expenses; (iv) strengthening marketing capabilities and brand building exercise (v) meeting of exigencies which our Company may face in the course of any business; and (vi) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

The quantum of utilization of funds towards any of the above purposes will be determined by the Board based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilizing surplus amounts, if any. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Interim use of Net Proceeds

Pending utilization of the Net Proceeds for the purposes described above, our Company undertakes to deposit the Net Proceeds only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Means of finance

The fund requirements towards the Objects of the Offer are proposed to be entirely funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and internal accruals as required under the SEBI ICDR Regulations. Subject to applicable law, if the actual utilisation towards 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 utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations. For further details, see "***Risk Factors – 25. Objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders' approval.***" on page 48. We may vary the Objects in the manner provided in "***Objects of the Offer – Variation in Objects***" on page 120.

Bridge financing facilities

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

Appraising entity

The Objects for which the Net Proceeds will be utilised have not been appraised by any bank or financial institution or other independent agency.

Offer Expenses

The Offer expenses are estimated to be approximately ₹ [●] million. The Offer expenses comprises of, among other things, listing fees, underwriting fee, selling commission and brokerage, fees payable to the Book Running Lead Managers, legal counsel, Registrar to the Offer, Banker(s) to the Offer, processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, fees payable to the Sponsor Banks for Bids made by UPI Bidders using UPI Mechanism, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Other than: (a) listing fees; (b) audit fees of statutory auditors of the Company (to the extent not attributable to the Offer); and (c) expenses for any product or corporate advertisements consistent with past practice of the Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer) which will be borne by the Company, and (d) fees and expenses in relation to the legal counsel to any Selling Shareholders which shall be borne by the respective Selling Shareholders, all expenses in respect of the Offer will be shared amongst our Company and the Selling Shareholders, on a pro rata basis, in proportion to the Equity Shares issued and Allotted by our Company in the Fresh Issue and the respective portion of the Offered Shares sold by each Selling Shareholder in the Offer for Sale, in accordance with applicable law. The Company will advance the cost and expenses of the Offer and will be reimbursed by the Selling Shareholders for their respective proportion of such costs and expenses upon the consummation of the Offer.

Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, or in case the Offer is withdrawn or not completed for any reason whatsoever, other than the listing fees, as applicable, each Selling Shareholder shall jointly and severally reimburse our Company for any expenses in relation to the Offer paid by our Company on behalf of the respective Selling Shareholder, on a pro rata basis, in proportion to their respective portion of the Offered Shares.

The break-up for the estimated Offer expenses are as follows:

Activity	Estimated expenses (1) (₹ in million)	As a % of total estimated Offer related expenses (1)	As a % of Offer size (1)
Fees payable to the BRLMs and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Selling commission payable to SCSBs for Bids directly procured by them and processing fees payable to SCSBs for Bids (other than Bids submitted by UPI Bidders using the UPI Mechanism) procured by the members of the Syndicate, the Registered Brokers, CRTAs or CDPs and submitted to SCSBs for blocking, Bankers to the Offer, fees payable to the Sponsor Bank for Bids made by RIBs (2)(3)	[●]	[●]	[●]

Activity	Estimated expenses [(1)] (₹ in million)	As a % of total estimated Offer related expenses [(1)]	As a % of Offer size [(1)]
Selling commission and uploading charges payable to members of the Syndicate (including their Sub-Syndicate Members), RTAs, CDPs and Registered Brokers [(4)(5)(6)]	[●]	[●]	[●]
Processing fees payable to the Sponsor Bank [(6)]	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Listing fees, SEBI fees, BSE and NSE processing fees, book-building software fees, and other regulatory expenses	[●]	[●]	[●]
Fees payable to legal counsel	[●]	[●]	[●]
Fees payable to Joint Statutory Auditors	[●]	[●]	[●]
Fees payable to advisors to the Offer	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

[(1)] *The Offer expenses will be incorporated in the Prospectus on finalization of the Offer Price.*

[(2)] *Selling commission payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:*

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

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

Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE. No additional processing fees shall be payable to the SCSBs on the applications directly procured by them.

[(3)] *No processing fees shall be payable by the Selling Shareholders to the SCSBs on the applications directly procured by them.*

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

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

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

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

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

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

Uploading charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

[(5)] *Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIBs procured through UPI Mechanism and Non-Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:*

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

* *Based on valid applications*

[(6)] *Uploading charges/ Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:*

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

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

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/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.

Monitoring utilization of funds from the Offer

In terms of Regulation 41 of the SEBI ICDR Regulations, prior to filing the Red Herring Prospectus with the RoC, we will appoint a SEBI registered credit rating agency as a monitoring agency to monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency upon receipt before the Audit Committee without any delay.

Pursuant to the Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Additionally, the Audit Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Joint Statutory Auditors of our Company. Furthermore, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds of the Offer from the Objects as stated above. The 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. We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Financial Year, we will utilize such unutilized amount in the next Financial Year.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and the applicable rules, and the SEBI ICDR Regulations, our Company shall not vary the Objects without our Company being authorised to do so by 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 ("**Notice**") shall specify the prescribed details as required under the Companies Act. The Notice shall simultaneously be published in the newspapers, one in English and one in Kannada, the vernacular language of the jurisdiction where our Registered and Corporate Office is situated. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal, at a price as prescribed by SEBI, in accordance with our Articles of Association, the Companies Act, 2013 and the SEBI ICDR Regulations, in this regard.

Other confirmations

Except to the extent of the proceeds received from the Offer for Sale, there is no proposal whereby any portion of the Offer Proceeds will be paid to our Promoters, Promoter Group, Group Companies, Directors, Key Managerial Personnel or Senior Management Personnel. Further, there are no material existing or anticipated transactions in relation to the utilisation of the Offer Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Group Companies, Directors, Key Managerial Personnel or Senior Management Personnel.

BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company, in consultation with the BRLMs, based on assessment of market demand for the Equity Shares offered through the Book Building Process and based on the quantitative and qualitative factors described below. The face value of the Equity Shares is ₹ 5 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to "***Our Business***", "***Risk Factors***", "***Summary Financial Information***", "***Restated Consolidated Financial Information***" and "***Management's Discussion and Analysis of Financial Position and Results of Operations***" on pages 180, 28, 73, 242 and 298, respectively, to have an informed view before making an investment decision.

Qualitative factors

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

- We are a global high precision and engineering solutions company with capabilities to manufacture under two models: (i) build to print and (ii) build to specifications, for our customers; *(Source: F&S Report)*
- We have established ourselves as an approved supplier for various industry leaders in aerospace, defence, semi-conductor and energy sectors; *(Source: F&S Report)*
- We have developed and have a potential to further evolve our facilities to cater to all the specific and changing needs and requirements of the customers with respect to the products we make and for the industry we supply products to, allowing us to provide customized and tailored solutions ;
- We are a leading Indian exporter of aerospace components, with exports significantly contributing to our overall revenue; *(Source: F&S Report)*
- We have a global delivery service model for supplying products to our customers, which includes logistical support and direct export to various companies including USA and Europe;
- We are a key link in the global supply chain for global aerospace, defence, semi-conductor and energy OEMs and their licensees for the supply of critical parts like aero tooling, ground support equipment, electro-mechanical sub-assemblies and other precision engineered components; *(Source: F&S Report)*
- We have established a sub-contractor ecosystem with vendors who undertake aspects of our manufacturing process with limited complexity, enabling us to concentrate on critical aspects of the manufacturing process; and
- We are led by a qualified and experienced management team who are supported by a motivated and hard-working team of engineers and other members.

For further details, see "***Our Business – Our Competitive Strengths***" on page 182.

Quantitative factors

Certain information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For further information, see "***Restated Consolidated Financial Information***" and "***Other Financial Information***" on page 242 and 291.

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

I. **Basic and diluted earnings per share for continuing operations ("EPS") (face value of each Equity Share is ₹ 5)**

Fiscal	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2024	13.23	13.23	3
March 31, 2023	5.19	5.19	2
March 31, 2022	0.77	0.77	1
Weighted Average	8.47	8.47	

Notes:

1 The face value of each Equity Share is ₹ 5.

2 Basic Earnings per share = Net profit after tax (loss after tax) as restated / Weighted average number of equity shares outstanding during the financial period/year.

3 Diluted Earnings per share = Net profit after tax (loss after tax) as restated / Weighted average number of potential equity shares outstanding during the financial period/year.

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

II. **Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share[(1)]:**

Particulars	P/E at the lower end of the Price Band (number of times)*	P/E at the higher end of the Price Band (number of times)*
Based on basic EPS as per the Restated Consolidated Financial Information for the financial year ended March 31, 2024	[●]	[●]
Based on diluted EPS as per the Restated Consolidated Financial Information for the financial year ended March 31, 2023	[●]	[●]
Based on diluted EPS as per the Restated Consolidated Financial Information for the financial year ended March 31, 2022	[●]	[●]

** To be updated in the Prospectus upon the finalization of the price band.*

III. **Industry Peer Group P/E ratio**

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 146.89, the lowest P/E ratio is 37.34 and the average P/E ratio is 102.71.

Particulars	P/E Ratio
Highest	146.89
Lowest	37.34
Average	102.71

Notes:

1. *The highest and lowest industry P/E shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below.*
2. *P/E figures for the peer are computed based on closing market price as on August 16, 2024, divided by Diluted EPS (on consolidated basis)/Basic EPS based on the financial results declared by the peers available on website of www.bseindia.com for the Financial Year ending March 31, 2024.*

IV. **Average Return on Net Worth ("RoNW")**

Fiscals	RoNW (%)	Weight
March 31, 2024	53.53%	3
March 31, 2023	46.70%	2
March 31, 2022	12.26%	1
Weighted Average	44.38%	

Notes:

1. *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*
2. *Return on Net Worth means the net profit after tax attributable to owners of our Company, as restated divided by restated net worth at the end of the year/period.*
3. *Net Worth has been defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

V. **Net asset value per Equity Share (face value of ₹ 5 each)**

Net Asset Value per Equity Share	Amount (in ₹)
As on March 31, 2024	24.71
After the Offer	
(i) Floor Price*	[●]
(ii) Cap Price*	[●]
(iii) Offer Price*	[●]

** To be updated in the Prospectus upon the finalization of the price band.*

Notes:

1. *Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*
2. *Net Asset Value per Equity Share represents net worth as at the end of the year / period, as restated, divided by the number of Equity Shares outstanding at the end of the year / period after taking effect of bonus shares and split of equity shares.*

For further details, see "***Other Financial Information***" on page 291.

VI. **Comparison of Accounting Ratios with Listed Industry Peers**

Following is the comparison with our peer group companies listed in India and in the same line of business as our Company:

(***Intentionally left blank***)

Name of the Company	Standalone/ Consolidated	Revenue from operations (₹ in millions)	Face Value per Equity Share (₹)	Closing price as on August 16, 2024	P/E	EPS (Basic and Diluted) (₹)	RoNW (%)	NAV (₹ per share)	Profit after tax (₹)*	EBITDA	Profit Margin	Borrowings	Net Worth (₹ in Millions)
Unimech Aerospace and Manufacturing Limited	Consolidated	2,087.75	5	NA	NA	13.23	53.53%	24.71	581.34	791.86	27.85%	288.56	1,085.95
Listed Peers[@]													
MTAR Technologies Limited	Consolidated	5,807.52	10	1,713.95	93.97	18.24	8.30%	219.88	561.13	1,126.39	9.66%	1909.16	6,763.30
Azad Engineering Limited	Consolidated	3,407.71	2	1,628.10	145.37	11.2	9.08%	109.12	585.8	1,165.88	17.19%	371.57	6,450.63
Paras Defence & Space Technologies Limited	Consolidated	2,535.00	10	1,207.40	146.89	8.22	6.77%	113.66	300.3	510.6	11.85%	646.1	4,432.80
Dynamatic Technologies Limited	Consolidated	14,293.30	10	6,698.65	37.34	179.4	18.24%	983.21	1,218.10	1,594.10	8.52%	4581.6	6,677.40
Data Patterns (India) Limited	Consolidated	5,198.00	2	2,919.90	89.98	32.45	13.72%	236.53	1,816.90	2,216.20	34.95%	-	13,242.10

**Profit after Tax considered excluding other comprehensive income/(loss) and including exceptional items and share of profit/loss from associates.*

[@]All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the filings made with stock exchanges available on www.bseindia.com for the Financial Year ending 31st March 2024.

Source for Unimech Aerospace and Manufacturing Limited: Based on the Restated Consolidated Financial Information 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 August 16, 2024, divided by the Diluted EPS/Basic EPS.*
2. *Return on Net Worth (%) = Net profit after tax, as restated / Net worth as restated as at financial period/year end.*

3. *Net worth means the aggregate value of the paid up share capital of the Company and all reserves created out of profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, foreign currency translation reserve, write-back of depreciation as at financial period /year end, as per Restated Financial Information of Assets and Liabilities of the Company.NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. EBITDA is calculated as restated profit before tax plus finance costs, depreciation and amortisation expense less other income.*
4. *Profit Margin is calculated as restated profit after tax for the year divided by Revenue from Operations.*
5. *Borrowings are calculated as sum of short term borrowings and long term borrowings*
6. *Net worth is calculated as the sum of Equity and Reserves and Surplus as per the restated financial information*

VII. **Key performance indicators ("KPIs")**

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for the Offer Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 19, 2024 and the Audit Committee has confirmed that verified and audited details of all the KPIs pertaining to our Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus have been disclosed in this section. Further, the KPIs herein have been certified by Vishnu Daya & Co LLP, Independent Chartered Accountants pursuant to certificate dated August 19, 2024. This certificate has been included as a material document for inspection in connection with the Offer. See "***Material Contracts and Documents for Inspection***" on page 395.

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to its peers.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once a year (or any lesser period as may be determined by our Board), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the utilisation of the Offer Proceeds as per the disclosure made in the section "***Objects of the Offer***" on page 101, whichever is later, or for such other duration as required under the SEBI ICDR Regulations.

(in ₹ million, unless stated otherwise)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Key Financial Metrics:			
Revenue from operations	2,087.75	941.66	363.49
Revenue from operations growth (%)(1)	121.71%	159.06%	-*
Gross profit(2)	1,375.93	677.69	263.29
Gross Margin(3) (%)	65.90%	71.97%	72.43%
EBITDA(4)	791.86	345.63	77.26
EBITDA Margin(5) (%)	37.93%	36.70%	21.25%
Profit after tax for the period / year	581.34	228.13	33.92
Profit Margin(6) (%)	27.85%	24.23%	9.33%
Fixed Asset Turnover Ratio(7) (Times)	5.16	3.51	-**
Return on Capital Employed(8) (ROCE) (%)	54.36%	42.87%	10.34%
Return on Equity (9) (%)	53.53%	46.71%	12.26%
Number of Plants#	2	2	2
Installed Capacity# (No. of Hours)	2,22,990	1,25,100	99,810
Number of Customers	16	15	18
Number of Countries	5	5	5
Operating Metrics:			
Customer Concentration (top 5)	96.80%	93.88%	88.97%
Customer Concentration (top 10)	99.45%	98.11%	96.67%
Trade Receivable Days (10)	82	125	75
Trade Payable Days (11)	66	68	98^
Inventory Days (12)	101	218	163
Cash Conversion Cycle (13) (Days)	117	275	140

** Not included as the comparative period figures under IND AS for FY 2021 as on March 31, 2021 are not available*

*** Not included as the comparative period figures under IND AS for FY 2021 as on March 31, 2021 are not available which will be used for calculating the Average Fixed Assets*

 # Number of plants and installed capacity (no. of hours) is derived based on the ICE certificate dated August 19, 2024.

^ Opening stock for the year ended March 31, 2022 has not been considered as the closing stock under IND AS for the year ended March 31, 2021 is not available

Notes: Formula for ratios are as below

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

2. *Gross Profit is calculated as Revenue from operations less Cost of Goods Sold. Cost of goods sold is the sum of Cost of materials consumed, Purchases of stock-in-trade, increase/ decrease in inventories and sub-contracting cost.*
3. *Gross Margin is calculated as Gross Profit divided by Revenue from Operations.*
4. *EBITDA is calculated as restated profit before tax plus finance costs, depreciation and amortisation expense less other income.*
5. *EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.*
6. *Profit Margin is calculated as restated profit after tax for the year divided by Revenue from Operations.*
7. *Fixed Asset Turnover Ratio is calculated as Revenue from operations divided by Average Fixed Assets. Average Fixed Assets is calculated as the average of Property, plant and equipment, Intangible assets and Right-of-use assets for previous two Financial Years*
8. *Return on Capital Employed is calculated as Earnings before Interest and Tax divided by the sum of Total Equity and Total Debt. Total Debt is calculated as sum of short-term borrowings and long-term borrowings*
9. *Return on Equity is calculated as Profit After Tax divided by Total Equity*
10. *Trade Receivable days is calculated as Trade receivable outstanding at the end of the year divided by Revenue from operations for the year multiplied by 365.*
11. *Trade Payable days is calculated as Trade payables outstanding at the end of the year divided by Total Purchases made for the year multiplied by 365.*
12. *Inventory days is calculated as Inventory outstanding at the end of the year divided by Total Cost of Goods Sold multiplied by 365.*
13. *Cash conversion cycle is calculated Days of inventory outstanding plus days of sales outstanding minus days payables outstanding.*

We have described and defined the KPIs, as applicable, in the section entitled "***Definitions and Abbreviations***" on page 1. For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 180 and 298, respectively.

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

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools.

Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

Explanation for the KPIs metrics

The list of our KPIs along with brief explanation of the relevance of the KPIs for the business operations of our Company is set out below:

Sr. No.	KPI	Explanation
1.	Revenue from operations	Revenue from operations represents the scale of the business as well as provides information regarding the overall financial performance.
2.	Revenue from operations Growth (%)	Revenue Growth (%) represents year-on-year growth of the business operations in terms of revenue generated by the Company.
3.	Revenue from customers outside India	Revenue from customers outside India indicates the company's ability to generate sales from international markets. It helps in understanding the geographical diversification of the company's revenue sources.
4.	Gross profit	Gross profit represents the difference between revenue from operations and the cost of goods sold. It provides insight into the efficiency of production and the profitability of the core business activities.
5.	Gross Margin	Gross Margin is the ratio of gross profit to revenue, expressed as a percentage. It measures how efficiently a company is producing and selling its products, showing the percentage of revenue that exceeds the cost of goods sold

Sr. No.	KPI	Explanation
6.	EBITDA	EBITDA provides a comprehensive view of the Company's financial health as it considers all sources of the income.
7.	EBITDA Growth	EBITDA Growth (%) measures the year-on-year growth in EBITDA, reflecting the company's operational performance and profitability over time, excluding the effects of financing decisions.
8.	EBITDA Margin	EBITDA Margin (%) is a financial ratio that measures the profitability as a percentage of its total income, including both operating and non-operating gains or losses.
9.	Profit after tax for the period / year	PAT represents the profit/loss that the Company makes for the financial year or during a given period It provides information regarding the overall profitability of the business.
10.	Profit Margin	PAT Margin (%) is an indicator of the overall profitability of the business and provides the financial benchmarking against peers as well as to compare against the historical performance of the business.
11.	Return on Capital Employed	Return on Capital Employed (ROCE) measures the company's profitability and the efficiency with which its capital is employed. It indicates the returns generated from the capital invested in the business.

IX. **Comparison of KPIs based on additions or dispositions to our business**

Our Company has not made any additions or dispositions to its business during the periods that are covered by the KPIs except for the disinvestment of Unimech Healthcare Private Limited. For further details, see "***History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. since incorporation***" on page 210.

X. **Comparison with listed industry peers**

Based on our review of the audited financial statements of such Industry Peers for their last audited financial year i.e. Financial year 2024, we confirm: (a) the highest P/E ratio among the Industry Peers was ₹ 146.89, while the lowest P/E ratio was ₹ 37.34, and the average P/E ratio was ₹ 102.71; and (b) the additional details as set forth below:

Fiscal 2024

Particulars	Unimech Aerospace and Manufacturing Limited	MTAR Technologies Limited	Azad Engineering Limited	Paras Defence & Space Technologies Limited	Dynamatic Technologies Limited	Data Patterns (India) Limited
Revenue from operations (*in ₹ millions*)	2,087.75	5,807.52	3,407.71	2,535.00	14,293.30	5,198.00
Revenue from operations growth (%)(01)	121.71%	1.22%	35.40%	13.97%	8.63%	14.63%
Gross profit (*in ₹ millions*) (02)	1,375.93	2,783.64	2,947.49	1,329.10	7,611.80	3,546.80
Gross Margin (%) (03)	65.90%	47.93%	86.49%	52.43%	53.25%	68.23%
EBITDA (*in ₹ millions*) (04)	791.86	1,126.39	1,165.88	510.60	1,594.10	2,216.20
EBITDA Margin (%) (05)	37.93%	19.40%	34.21%	20.14%	11.15%	42.64%
Profit after tax for the period / year (*in ₹ millions*)	581.34	561.13	585.80	300.30	1,218.10	1,816.90
Profit Margin (%) (06)	27.85%	9.66%	17.19%	11.85%	8.52%	34.95%

Particulars	Unimech Aerospace and Manufacturing Limited	MTAR Technologies Limited	Azad Engineering Limited	Paras Defence & Space Technologies Limited	Dynamatic Technologies Limited	Data Patterns (India) Limited
Fixed Asset Turnover Ratio (07)	5.16	1.84	1.44	1.57	2.32	4.02
Return on Capital Employed (08)	54.36%	10.32%	14.08%	7.42%	8.26%	15.52%
Return on Equity (09)	53.53%	8.30%	9.08%	6.77%	18.24%	13.72%
Number of Plants	2	8	4	2	9	1
Installed Capacity *(No. of Hours)*	2,22,990^	NA	NA	NA	NA	NA
Number of Customers	16	NA	NA	NA	NA	NA
Number of Countries	5	NA	NA	NA	NA	4
Customer Concentration (top 5)	96.80%	NA	NA	NA	NA	72.00%
Customer Concentration (top 10)	99.45%	NA	NA	NA	NA	NA
Trade Receivable Days (10)	82	92	182	285	76	280
Trade Payable Days (11)	66	78	208	140	103	93
Inventory Days (12)	101	420	1,055	455	167	590
Cash Conversion Cycle (13) (Days)	117	434	1,028	600	140	777

Fiscal 2023

Particulars	Unimech Aerospace and Manufacturing Limited	MTAR Technologies Limited	Azad Engineering Limited	Paras Defence & Space Technologies Limited	Dynamatic Technologies Limited	Data Patterns (India) Limited
Revenue from operations (*in ₹ millions*)	941.66	5,737.51	2,516.75	2,224.26	13,157.70	4,534.50
Revenue from operations growth (%)(01)	159.06%	78.18%	29.42%	21.84%	4.98%	45.87%
Gross profit (*in ₹ millions*) (02)	677.69	3,042.41	2,215.24	1,170.63	6,847.50	2,825.40
Gross Margin (%) (03)	71.97%	53.03%	88.02%	52.63%	52.04%	62.31%
EBITDA (*in ₹ millions*) (04)	345.63	1,539.74	722.78	567.41	1,812.60	1,718.10
EBITDA Margin (%) (05)	36.70%	26.84%	28.72%	25.51%	13.78%	37.89%

Particulars	Unimech Aerospace and Manufacturing Limited	MTAR Technologies Limited	Azad Engineering Limited	Paras Defence & Space Technologies Limited	Dynamatic Technologies Limited	Data Patterns (India) Limited
Profit after tax for the period / year (*in ₹ millions*)	228.13	1,034.19	84.73	359.40	427.90	1,239.90
Profit Margin (%) [(06)]	24.23%	18.03%	3.37%	16.16%	3.25%	27.34%
Fixed Asset Turnover Ratio [(07)]	3.51	2.36	1.39	1.59	2.37	5.81
Return on Capital Employed [(08)]	42.87%	17.72%	11.04%	10.63%	9.55%	13.99%
Return on Equity [(09)]	46.71%	16.68%	4.15%	8.70%	7.90%	10.62%
Number of Plants	2	7	4	2	9	1
Installed Capacity *(No. of Hours)*	1,25,100 ^	NA	57,98,144	NA	NA	NA
Number of Customers	15	75	NA	NA	NA	NA
Number of Countries	5	3	11	10	NA	5
Customer Concentration (top 5)	93.88%	NA	63.11%	51.00%	NA	NA
Customer Concentration (top 10)	98.11%	NA	79.76%	NA	NA	NA
Trade Receivable Days [(10)]	125	133	172	247	71	308
Trade Payable Days [(11)]	68	220	252	86	120	75
Inventory Days [(12)]	218	524	1,042	324	173	412
Cash Conversion Cycle [(13)] (Days)	275	436	962	484	125	645

Fiscal 2022

Particulars	Unimech Aerospace and Manufacturing Limited	MTAR Technologies Limited	Azad Engineering Limited	Paras Defence & Space Technologies Limited	Dynamatic Technologies Limited	Data Patterns (India) Limited
Revenue from operations (*in ₹ millions*)	363.49	3,220.06	1,944.67	1,825.62	12,533.70	3,108.50
Revenue from operations growth (*%*)[(01)]	-	30.67%	58.46%	27.37%	12.09%	38.80%
Gross profit (*in ₹ millions*) [(02)]	263.29	2,057.55	1,737.05	1,008.12	6,383.30	2,247.80
Gross Margin (%) [(03)]	72.43%	63.90%	89.32%	55.22%	50.93%	72.31%

Particulars	Unimech Aerospace and Manufacturing Limited	MTAR Technologies Limited	Azad Engineering Limited	Paras Defence & Space Technologies Limited	Dynamatic Technologies Limited	Data Patterns (India) Limited
EBITDA (*in ₹ millions*) (04)	77.26	944.26	622.68	518.59	1,692.30	1,410.40
EBITDA Margin (%) (05)	21.25%	29.32%	32.02%	28.41%	13.50%	45.37%
Profit after tax for the period / year (*in ₹ millions*)	33.92	608.74	294.57	270.77	320.60	939.70
Profit Margin (%) (06)	9.33%	18.90%	15.15%	14.83%	2.56%	30.23%
Fixed Asset Turnover Ratio (07)	-**	1.78	1.47	1.26	2.21	7.89
Return on Capital Employed (08)	10.34%	13.01%	15.43%	10.13%	9.99%	23.12%
Return on Equity (09)	12.26%	11.71%	24.55%	7.16%	8.41%	16.36%
Number of Plants	2	7	2	2	8	1
Installed Capacity *(No. of Hours)*	99,810^	NA	464,898	NA	NA	NA
Number of Customers	18	65	NA	NA	NA	NA
Number of Countries	5	NA	11	NA	5	NA
Customer Concentration (top 5)	88.97%	NA	54.82%	58%	NA	NA
Customer Concentration (top 10)	96.67%	NA	73.64%	NA	NA	NA
Trade Receivable Days (10)	75	154	140	246	61	233
Trade Payable Days (11)	98*	105	285	72	129	143
Inventory Days (12)	163	535	1,009	297	152	508
Cash Conversion Cycle (13) (Days)	140	584	864	471	84	597

** Opening stock for the year ended March 31, 2022 has not been considered as the closing figures under IND AS for FY 2021 as on March 31 2021 are not available.*

***Not included as the comparative period figures under IND AS for FY 2021 as on March 31, 2021 are not available which will be used for calculating the Average Fixed Assets*

^ Number of plants and installed capacity (no. of hours) is derived based on the ICE certificate dated August 19, 2024

Notes: Formula for ratios are as below:

1. *Revenue from operations growth (year on year) means the annual growth in Revenue from operations.*
2. *Gross Profit is calculated as Revenue from operations less Cost of Goods Sold. Cost of goods sold is the sum of Cost of materials consumed, Purchases of stock-in-trade and increase/ decrease in inventories and sub-contracting cost.*
3. *Gross Margin is calculated as Gross Profit divided by Revenue from Operations.*
4. *EBITDA is calculated as restated profit before tax plus finance costs, depreciation and amortisation expense less other income.*
5. *EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.*
6. *Profit Margin is calculated as restated profit after tax for the year divided by Revenue from Operations.*
7. *Fixed Asset Turnover Ratio is calculated as Revenue from operations divided by Average Fixed Assets. Average Fixed Assets is calculated as the average of Property, plant and equipment, Intangible assets and Right-of-use assets of previous two Financial Years.*

8. *Return on Capital Employed is calculated as Earnings before Interest and Tax divided by the sum of Total Equity and Total Debt*
9. *Return on Equity is calculated as Profit After Tax divided by Total Equity*
10. *Trade Receivable days is calculated as Trade receivable outstanding at the end of the year divided by Revenue from operations for the year multiplied by 365.*
11. *Trade Payable days is calculated as Trade payables outstanding at the end of the year divided by Total Purchases made for the year multiplied by 365.*
12. *Inventory days is calculated as Inventory outstanding at the end of the year divided by Total Cost of Goods Sold multiplied by 365.*
13. *Cash conversion cycle is calculated Days of inventory outstanding plus days of sales outstanding less days payables outstanding.*

XI. **Disclosures in relation to valuation of our Company**

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

The details of the Equity Shares or convertible securities, and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more that 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("**Primary Issuance"**) are as follows:

Date of allotment	Name of allottee	No. of shares transacted*	Face Value (in ₹)	Issue price per share (in ₹)*	Nature of allotment	Nature of consideration	Total consideration (₹ in million)
July 19, 2024	ValueQuest SCALE Fund (a scheme of ValueQuest Alternate Investment Trust)	1,466,836	5	681.74	Preferential issue	Cash	1,000.00
July 19, 2024	Evolvence India Fund IV Ltd	1,466,836	5	681.74	Preferential issue	Cash	1,000.00
July 19, 2024	Steadview Captial Mauritius Limited	733,418	5	681.74	Preferential issue	Cash	500.00
Total							**2,500.00**
Weighted Average Cost of Acquisition (Total Consideration/Total Number of Shares Transacted) (in ₹)							**681.74**

**Adjusted for bonus issue and split;*

Except as stated above, we confirm that there are no primary/new issue of shares, equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated on the pre-issue capital on the date of allotment) in the 18 months prior to the date of this certificate.

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

There are no secondary sale/ acquisitions of Equity Shares or any convertible securities ("**Security(ies)**"), where the Promoters, members of the Promoter Group, Selling Shareholders, 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 certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

II. With reference to I(A) above, WACA, Floor Price and Cap Price:

Please see below details of the weighted average cost of acquisition, based on the details set out under (I) – (A), above, as compared to the floor price and cap price:

Type of transaction	WACA (in ₹)	Floor Price (₹ [●])*	Cap Price (₹ [●])*
Preferential issue	681.74	[●]	[●]

**To be updated at Prospectus stage*

XII. **Justification for Basis of Offer Price**

(a) ***Explanation for the Offer Price / Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by our Promoters, the members of the Promoter Group and the Selling Shareholders by way of Primary and Secondary Transactions in the last 18 months preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs and financial ratios for the Fiscals 2024, 2023 and 2022.***

[●]*

** To be updated in the Prospectus upon the finalization of the Price Band.*

(b) ***Explanation for Offer Price / Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by our Promoters, the members of the Promoter Group and the Selling Shareholders by way of Primary and Secondary Transactions in the last 18 months preceding the date of this Draft Red Herring Prospectus in view of external factors, if any, which may have influenced the pricing of the Issue***

[●]*

** To be updated in the Prospectus upon the finalization of the Price Band.*

(c) ***The Offer price is [●] times of the face value of the Equity Shares***

The Offer Price of ₹ [●] has been determined by our Company in consultation with the BRLMs based on the demand from investors for the Equity Shares through the Book Building process. Our Company in consultation with the BRLMs is justified of the Offer Price 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 Information***" on pages 28, 180, 298 and 242, 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***" on page 28 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors
Unimech Aerospace and Manufacturing Limited
538, 539, 542, & 543
7th Main of Peenya IV Phase
Industrial Area
Yeshwanthpur Hobli
Bangalore – 560 058
Karnataka, India

Sub: Statement of possible special tax benefits available to Unimech Aerospace and Manufacturing Limited ('the Company'), its shareholders and its material Indian subsidiary, Innomech Aerospace Toolings Private Limited ('Material Subsidiary') under the direct and indirect tax laws, prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations")

1. We, MSKA & Associates ("**the Firm**"), Chartered Accountants, the statutory auditors of the Company hereby confirm the enclosed statement in the Annexure prepared and issued by the Company, which provides the possible special tax benefits under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Income-tax Rules, 1962, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, The Customs Act, 1962, The Customs Tariff Act, 1975 and the Foreign Trade Policy (collectively the "**Taxation Laws**"), the rules, regulations, circulars and notifications issued thereon, as amended by the Finance Act, 2024, and as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to the Company, its shareholders, and Material Subsidiary identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Several of these benefits are dependent on the Company, its shareholders and Material Subsidiary, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company, its shareholders and Material Subsidiary to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company, its shareholders and Material Subsidiary face in the future. The Company, its shareholders and Material Subsidiary may or may not choose to fulfil such conditions for availing special tax benefits.

2. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.

3. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its shareholders and its Material Subsidiary and do not cover any general tax benefits available to them.

4. The benefits stated in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

5. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

6. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

7. We do not express any opinion or provide any assurance whether:

- The Company, its shareholders and Material Subsidiary will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met; and
- The revenue authorities/courts will concur with the views expressed herein.

8. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law.

9. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

10. This Statement is addressed to Board of Directors and issued at specific request of the Company. The enclosed Annexure to this Statement is intended solely for your information and for inclusion in the Draft red herring prospectus, red herring prospectus, the prospectus and any other material in connection with the proposed initial public offering of equity shares of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For **M S K A & Associates**
Chartered Accountants
Firm Registration Number:105047W

Jiger Saiya
Partner
Membership No: 116349
UDIN: 24116349BKFZIW3939

Place: Mumbai
Date: August 19, 2024
Enclosure: Annexure A

ANNEXURE A

LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')

Sr. No.	Details of tax laws
1	Income-tax Act, 1961 and Income-tax Rules,1962
2	Central Goods and Service Tax Act, 2017
3	State Goods and Service Tax Act, 2017
4	Integrated Goods and Service Tax Act, 2017
5	Union Territory Goods and Services Tax Act, 2017
6	Customs Act, 1962
7	Customs Tariff Act, 1975
8	Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023)
9	Special Economic Zones Act, 2005

Sr. No. 2 to 9 : As amended by the Finance Act, 2024 applicable for the Financial Year 2024-25, read with relevant Rules, Notifications and Circulars, each as amended and presently in force in India (collectively referred as "Indirect Tax Laws")

LIST OF MATERIAL SUBSIDIARY CONSIDERED AS PART OF THE STATEMENT (NOTE 1)

1) **INNOMECH AEROSPACE TOOLINGS PRIVATE LIMITED**

Note 1: Material subsidiary identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes a subsidiary whose turnover, profit before tax or net worth in the immediately preceding year (i.e. 31 March 2024) exceeds 10% of the consolidated turnover, consolidated profit before tax or consolidated net worth respectively, of the Group in the immediately preceding year.

ANNEXURE II

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND MATERIAL SUBSIDIARY UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES ("TAX LAWS") IN INDIA

This statement of possible special direct tax benefits available to the Company, its shareholders and its Material Subsidiary under the direct tax laws in force in India. This statement is required as per paragraph (9)(L) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations"). This statement is as per the Income-tax Act, 1961 as amended by the Finance Act, 2024 read with the relevant rules, circulars and notifications applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force.

UNDER THE DIRECT TAX LAWS

1. **Special tax benefits available to the Company and its Material Subsidiary**

The Company and the Material Subsidiary avail the direct tax benefit under the Tax Laws identified *supra.* The same has been outlined as under:

a) Special tax benefit available to Unimech Aerospace And Manufacturing Limited

i. **Section 115BAA- Tax on income of certain domestic companies.**

Section 115BAA has been inserted in the Act w.e.f. 1 April 2020 (A.Y. 2020-21). Section 115BAA of the Act grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it shall pay corporate tax at a reduced rate of 22% (plus surcharge and education cess).

Section 115BAA of the Act further provides that domestic companies availing the said option will not be required to pay Minimum Alternate Tax ('MAT') on their 'book profits' under section 115JB of the Act and unutilized MAT credit, if any, will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other assessment year.

However, while computing the total income such a company will no longer be eligible to avail certain specified incentives/deductions or specified brought forward losses and depreciation/ unabsorbed depreciation and the depreciation can be claimed as determined in the prescribed manner.

The Company has evaluated and decided to opt for the lower corporate tax rate of 22 percent (plus applicable surcharge and cess) with effect from the Financial Year 2020-21 relevant to the Assessment Year 2021-22 under section 115BAA of the Act. Such option has been exercised by the Company while filing its return for the Financial Year 2020-21 relevant to the Assessment Year 2021-22 within the due date prescribed under sub-section (1) of section 139 of the Act. Since the Company has opted for lower corporate tax rate, MAT tax credit (if any) is no longer available for set-off or carry forward in future years.

ii. **Section 80M – Deduction in respect of Inter-Corporate Dividends**

As per the provisions of Section 80M of the Act, dividend received by the Company from any other domestic company, or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company to its shareholders on or before one month prior to due date of filing of its Income-tax return for the relevant year. Since the Company has investments in Indian subsidiary, it may avail the above-mentioned benefit under Section 80M of the Act.

b) Special tax benefit available to Material Indian subsidiary, Innomech Aerospace Toolings Private Limited

i. **Section 10AA – Deductions in respect of in respect of newly established Units in SEZ.**

Section 10AA has been inserted by the Finance Act, 2006 w.e.f., 1 April 2006 for providing deductions from Gross Total Income for the units established in SEZ and which begins to manufacture or produce articles or things or provide any services during the previous year relevant to any assessment year commencing on or after the 1st day of April, 2006, but before the first day of April, 2021, the following deduction shall be allowed:-

- 100% of export profit is eligible for the deduction for the first five years.

- 50% of export profit is eligible for the deduction for the next five years.

- Amount not exceeding 50% of export profit is eligible for the deduction for the next five years subject to fulfillment of prescribed conditions specified in subsection (2).

The deduction is available for units that begin operations before 01.04.2020, which has been extended to 31.03.2021 through the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 but the unit should have received letter of approval, required to be issued in accordance with the provisions of the Special Economic Zones Act, 2005, on or before the 31st day of March 2020,

There are other conditions required to be satisfied as prescribed under the Act for the purpose of claiming deduction under section 10AA of the Act like filing return on time, filing report of an accountant, receiving export proceeds in convertible foreign exchange etc.

Innomech Aerospace Toolings Private Limited has represented to us that it has satisfied all the conditions applicable for availing deduction under section 10AA of the Act along with conditions specified in the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act,2020 and it has been claiming deduction under section 10AA of the Act from AY 2021-22 onwards.

ii. **Section 115JB- Special provision for payment of tax by certain companies.**

Notwithstanding anything contained in any other provision of this Act, where in the case of an assessee, being a company, the income-tax, payable on the total income as computed under the Act in respect of any previous year relevant to the assessment year commencing on or after the 1st day of April, 2012, is less than fifteen per cent of its book profit, such book profit shall be deemed to be the total income of the assessee and the tax payable by the assessee on such total income shall be the amount of income-tax at the rate of than fifteen per cent. The tax payable under MAT shall be increased by applicable surcharge and education cess.

Book profit means the net profit as shown in the profit & loss account for the year as increased and decreased by some items as prescribed under the act. When any amount of tax is paid as MAT by the company, then it can claim the credit of such tax paid in accordance with the provision of section 115JAA (‘MAT Credit’)

MAT Credit will be difference of Tax paid as per MAT calculation and Income tax payable under normal provision of Income-tax Act. Such MAT Credit shall be eligible to be carried forward and set off for 15 Assessment Years immediately succeeding the assessment year in which such credit has become allowable. Set off of MAT Credit shall be allowed for any assessment year to the extent of the difference between tax payable as per the normal provisions of the Act and MAT calculated as per section 115JB of the Act.

c) Special tax benefit available to both Unimech Aerospace And Manufacturing Limited and its material Indian subsidiary, Innomech Aerospace Toolings Private Limited

i. **Deductions from the Gross Total Income – Section 80JJAA of the Act – Deduction in respect of employment of new employees**

Subject to the fulfilment of prescribed conditions, for the year, the Company and its Material Subsidiary is entitled to claim deduction under section 80JJAA of the Act with respect to an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. Further, where the Company and its Material Subsidiary wishes to claim possible tax benefit, it shall obtain necessary certification from Chartered Accountant on fulfilment of the conditions under the extant provisions of the Act.

2. <u>Special tax benefits available to Shareholders of the Company</u>

- Apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits available to the shareholders of the Company under the Tax Laws identified supra

UNDER THE INDIRECT TAX LAWS

1. <u>Special tax benefits available to the Company and its Material Subsidiary</u>

The Company and the Material Subsidiary avail the indirect tax benefit under the Tax Laws identified *supra.* The same has been outlined as under:

a) Special tax benefit available to Unimech Aerospace And Manufacturing Limited

i. **Benefits of Duty Drawback scheme under Section 75 of the Customs Act, 1962:** As per Section 75 of the Customs Act, the Central Government is empowered to allow duty drawback on goods manufactured in India and exported. The Company avails duty drawback benefit as per the All Industry Rate (AIR) in the duty drawback schedule.

ii. **Benefits of Remission of Duties and Taxes on Export Products ("RoDTEP") Scheme under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023):**

This scheme provides rebate of duties/ taxes / levies (which are not refunded under any other existing schemes), at the Central, State and local level, borne on the exported product, including prior stage cumulative indirect taxes on goods and services used in the production of the exported product and such indirect duties/ taxes / levies in respect of distribution of exported product. The Company avails RoDTEP benefit as notified, on exported products. Under the Scheme, a rebate would be granted to eligible exporters at a notified rate as a percentage of FOB value with a value cap per unit of the exported product, wherever required, on export of items which are categorized under the notified 8 digit HS Code. However, for certain export items, a fixed quantum of rebate amount per unit may also be notified.

iii. **Benefits under the Central Goods and Services Act, 2017, respective State / Union Territory Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant rules prescribed thereunder):**

Under GST regime, the exporter has the option to either undertake exports under cover of a Bond/ Letter of Undertaking ("LUT") without payment of IGST and claim refund of accumulated input tax credit subject to fulfilment of conditions prescribed for export or the exporter may export with payment of IGST and claim refund of IGST paid on such exports as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017. Thus, the Integrated Goods and Service Tax Act, 2017 permits a supplier undertaking zero rated supplies (which will include the supplier making supplies to SEZ) to claim refund of tax paid on exports as IGST (by undertaking exports on payment of tax using ITC) or export without payment of tax by executing a Bond/ LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies. The Company is availing both these benefits.

b) Special tax benefit available to **Material Indian subsidiary, Innomech Aerospace Toolings Private Limited**

i. **Benefits under the Special Economic Zones Act, 2005 read with relevant rules prescribed thereunder):**

As per Section 7 of the Special Economic Zones Act, 2005 ("SEZ Act") any goods or services exported out of, or imported into, or procured from the Domestic Tariff Area by a Unit in a Special Economic Zone or a Developer shall, subject to such terms, conditions and limitations, as may be prescribed, be exempt from payment of specified taxes, duties or cess. Further, in terms of Section 26 of the SEZ Act, import of goods and services by a SEZ unit or developer is exempt from the applicable duties of Customs under Customs Act, 1962 or Customs Tariff Act, 1975. We understand that Innomech Aerospace Toolings Private Limited is a unit located in SEZ and is availing the benefit of duty/tax free procurement of goods and services from within/outside India.

ii. **Benefits under the Integrated Goods and Services Tax Act, 2017 (read with relevant rules prescribed thereunder):**

As per Section 16 of the Integrated Goods and Services Tax Act, 2017, supply of goods or services or both for authorised operations to a Special Economic Zone developer or a Special Economic Zone unit is considered as a "Zero rated supply" and hence GST is not levied on the supply made by the supplier to SEZ unit.

iii. **Benefits under the Central Goods and Services Act, 2017, respective State / Union Territory Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant rules prescribed thereunder):**

Under GST regime, the exporter has the option to undertake exports under cover of a Bond/ Letter of Undertaking ("LUT") without payment of IGST and claim refund of accumulated input tax credit subject to fulfilment of conditions prescribed for export as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017. Thus, the Integrated Goods and Service Tax Act, 2017 permits a supplier undertaking zero rated supplies (which will include the supplier making supplies to SEZ) to undertake export without payment of tax by executing a Bond/ LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

The Company is undertaking the exports without payment of tax by executing a LUT and then availing refund of unutilized ITC under Section 54 of the CGST Act, 2017.

2. **Special tax benefits available to Shareholders of the Company and its Material Subsidiary**

There are no special tax benefits available to the shareholders of the Company and its Material Subsidiary under the Tax Laws identified supra.

NOTES:

i. The above is as per the current Tax Laws.

ii. The above Statement of possible special tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership, and disposal of equity shares of the Company.

iii. The above statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of the Company. 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.

iv. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement ("DTAA"), if any, between India and the country in which the non-resident has fiscal domicile.

v. This statement is intended only 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 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.

vi. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

vii. No assurance is given that the conditions stipulated with respect to the special tax benefits provided above will be complied by the Company and Innomech Aerospace Toolings Private Limited in the subsequent years.

For Unimech Aerospace And Manufacturing Limited

Name: Ramakrishna Kamojhala
Designation: Whole time Director and Chief Financial Officer

Place: Bengaluru
Date: August 19, 2024

SECTION IV- ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, the industry and market data contained in this Draft Red Herring Prospectus is derived from the F&S Report, which has been prepared exclusively for the purpose of understanding the industry in connection with the Offer and commissioned and paid for by our Company, pursuant to an engagement letter dated March 20, 2024. The F&S Report will be on the website of our Company at the following web-link: from the date of filing the Red Herring Prospectus until the Bid / Offer Closing Date. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year, refers to such information for the relevant calendar year. See "**Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation**" and "**Risk Factors- Internal Risk Factors –60. This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, Frost & Sullivan, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks**" on pages 23 and 63, respectively.*

*F&S Report has been prepared for the proposed initial public offering of equity shares by our Company. This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited ("**Frost & Sullivan**") and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.*

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged. Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

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

MACROECONOMIC OVERVIEW

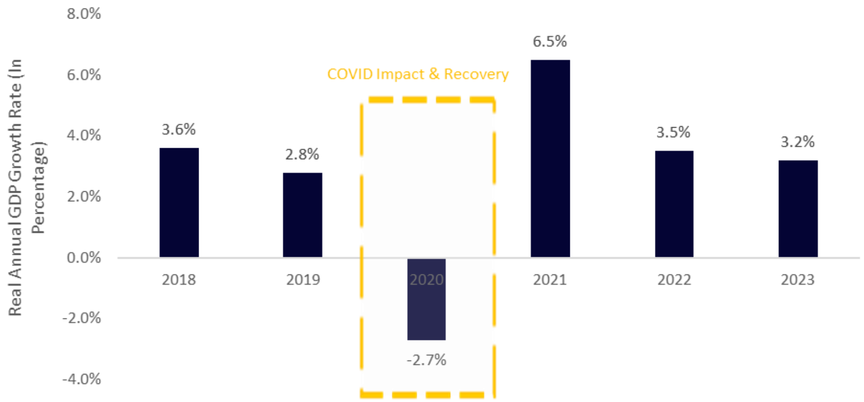
Overview of Global GDP (Trends in GDP Growth between 2018-2023)

The global economic performance in the historical study period of 2018 to 2023 has been tumultuous with alternating periods of recovery and slowdowns. As per IMF measures, 2018 witnessed robust economic growth on a global scale of 3.6%. 2019 saw a slight deceleration to 2.8% in global GDP growth due to trade tensions, geopolitical uncertainties, and slowing economic activity in key regions.

The outbreak of the COVID-19 pandemic in 2020 heralded the largest global economic contraction of -2.7% due to disrupted economies at large, leading to widespread lockdowns, supply chain disruptions, and a sharp decline in consumer demand. Much of global economies proved resilient with 2021 witnessing a rebound of 6.5%in global GDP growth with measures to bolster economic activity across various countries like implementation of fiscal stimulus measures, monetary policy support, and the rollout of vaccines.

Global GDP growth moderated to 3.5%in 2022 due to aftereffects of the pandemic, continuing supply chain disruptions, and uncertainties surrounding inflation and interest rates. In 2023, global GDP growth continued on a positive trajectory, registering a growth rate of 3.2%, moderated by the Ukraine- Russia Crisis and the Israel- Palestine crisis.

Percentage change in Global GDP, 2018-2023

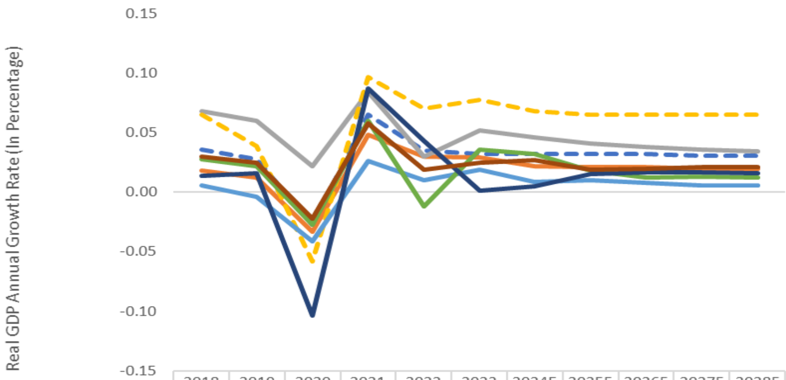


Source: https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/WEOWORLD

GDP Growth trend Comparison for Key Economies

Within the global canvas, the depth and pace of recoveries of key economies have been varied and noteworthy during this historical period. India is by far the fastest growing and stable major economy globally during the period 2021E to 2028F.

GDP growth trends in Key Economies, 2018-2028



	2018	2019	2020	2021	2022	2023	2024E	2025F	2026F	2027F	2028F
World	3.6%	2.8%	-2.7%	6.5%	3.5%	3.2%	3.2%	3.2%	3.2%	3.1%	3.1%
Brazil	1.8%	1.2%	-3.3%	4.8%	3.0%	2.9%	2.2%	2.1%	2.1%	2.0%	2.0%
China, People's Republic of	6.8%	6.0%	2.2%	8.4%	3.0%	5.2%	4.6%	4.1%	3.8%	3.6%	3.4%
India	6.5%	3.9%	-5.8%	9.7%	7.0%	7.8%	6.8%	6.5%	6.5%	6.5%	6.5%
Japan	0.6%	-0.4%	-4.1%	2.6%	1.0%	1.9%	0.9%	1.0%	0.8%	0.6%	0.6%
Russian Federation	2.8%	2.2%	-2.7%	6.0%	-1.2%	3.6%	3.2%	1.8%	1.2%	1.3%	1.2%
United Kingdom	1.4%	1.6%	-10.4%	8.7%	4.3%	0.1%	0.5%	1.5%	1.7%	1.7%	1.6%
United States	3.0%	2.5%	-2.2%	5.8%	1.9%	2.5%	2.7%	1.9%	2.0%	2.1%	2.1%

Source: https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/WEOWORLD

USA: Stable Economy amid concerns of economic slowdown

In 2018 and 2019, the US economy exhibited healthy economic performance with-growth rates of 3.0% and 2.5%, respectively on the back of increased consumption in 2019, which accounted for 77% of the total growth in 2019. 2020 witnessed a contraction of -2.2%, due to the impact of the COVID-19 pandemic in line with the global downturn. The US economy rebounded strongly in 2021 with a robust growth rate of 5.8%, in response to swift recovery measures and fiscal stimulus efforts. The growth rate stabilized at 1.9% in 2022 and 2.5% in 2023 -. The GDP growth in 2024 is forecasted at 2.7% amidst concerns of economic recession according to IMF and expected to grow to 2.1% during the forecast period 2024E-2028F.

United Kingdom: Stable, Low Growth

In 2018 and 2019, the UK experienced modest-low growth rates of 1.4% and 1.6%, respectively, indicating a slow growing and stable economic environment on account of Brexit uncertainties which has led to reduced business investments. 2020 witnessed one of the most significant economic contractions globally of a major economy of -10.4%, due to the impact of the COVID-19 pandemic and Brexit uncertainties, which disrupted trade and investment activities. The UK experienced a recovery of 8.7% in 2021 and 4.3% in 2022, driven by post-pandemic rebound measures and fiscal stimulus efforts. Growth slowed to 0.1% in 2023 on account of high inflation, weak labour market and low production growth. The UK economy entered recession in 2023, with the GDP falling in succession for the last two quarters of 2023.

In the years from 2024 to 2028 forecasted by the IMF, the UK's GDP growth rates are expected to fluctuate between 0.5% and 1.4% in a stable, low growth period as the economy adjusts to post-Brexit realities.

China: Maturing and Stabilizing Growth

The global economic powerhouse of China commenced the study period with robust growth rates of 6.8% and 6.0% in 2018 and 2019, respectively. Onset of the COVID-19 pandemic in 2020 led to only a slight deceleration of 2.2%, in stark contrast to the global contractions at large. China swiftly rebounded in 2021, showcasing a growth rate of 8.4%. Growth moderated to 3.0% in 2022 due to weak consumer demand coupled with falling property markets. Chinese economy grew by 5.2% in 2023 supported by strong economic expansion and is expected to exhibit a GDP growth of 3.4% until 2028, reflecting the country's transition towards a mature economy.

India: Fastest Growing Major Economy

GDP growth for India had been strong at 6.5% and 3.9% in 2018 and 2019. After COVID related contraction of -5.8% in 2020, the Indian economy has bounced back strong in 2021 at 9.7%. The economy was well recovered with 7% growth in 2022 on account of infrastructure reforms and investment by the government, speedy vaccination of the public and the push for privatization. This was further helped by pent-up demand-driven consumption by Tier II and Tier III city employees and businesses, in conjunction with market growth and uptake of the global economy. The growth rate of 7.8% witnessed in 2023 is expected to continue at a rate of around 6.5% during the period 2024E-2028F.

Russia: Economic Uncertainty

Russian economy experienced a modest growth rate of 2.8% and 2.2% in 2018 and 2019, respectively, indicating a relatively stable economic environment. In 2020 the COVID related contraction was -2.7%, on account of the dual impact of plummeting oil prices, due to its reliance on energy exports. Russia rebounded strongly in 2021, with a growth rate of 6.0%, due to gradual recovery of global oil prices and domestic economic stabilization measures. The GDP contracted by -1.2% in 2022, due to the Russia- Ukraine conflict, which impacted Oil exports of Russia. Growth of 3.6% is seen in 2023 following the push in domestic manufacturing. The GDP in 2028 is expected to grow by 1.2% compared to 2027 according to IMF, the average growth during the period 2024- 2029 is expected to average around 1.6%.

Japan: Stable Low Growth Economy

The GDP growth of Japan has been stable at a low of 1.7% between the period 2018-2023, except the COVID related contraction of -4.1% in 2020 and the related rebound of 2.6% in 2021. The GDP growth rates reverted back to 1% and 1.9% in 2022 and 2023, respectively. The growth of GDP is expected to decelerate from 0.9% in 2024 to around 0.6% in 2028, due to geopolitical tensions and higher inflation is expected to be demand driven inflation.

Brazil: Subdued Economic Performance

In 2018 and 2019, Brazil witnessed subdued economic performance with a slow GDP growth rate of 1.8% and 1.2% respectively, due to increase in domestic consumption and investments. The economy experiencing a COVID related contraction of -3.3%, and a robust rebound of 4.8% in 2021. Economic growth further moderated to 3% in 2022 and 2.9% in 2023. The market is expected to grow 2.2% in 2024 owing to delayed monetary tightening and a lower carry forward for the year. The GDP growth between 2024 and 2028 is expected to average around 2.1%.

MACROECONOMIC OVERVIEW OF INDIA

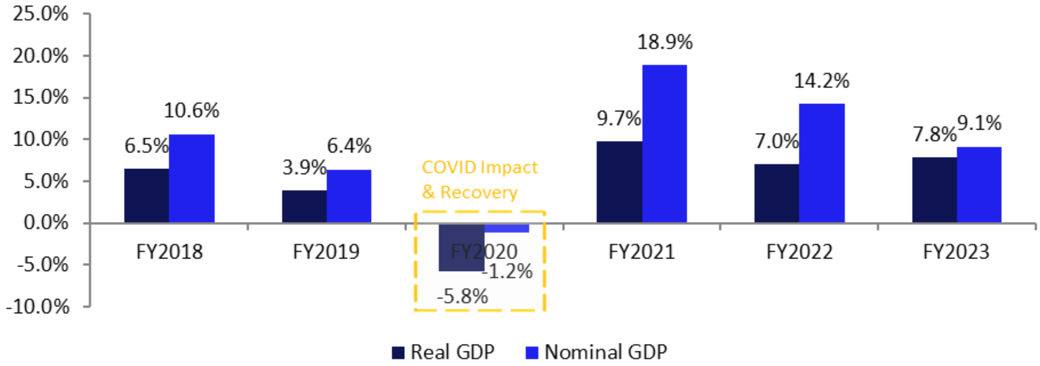
GDP Growth in India

Nominal GDP represents the total value of all goods and services produced within an economy at current market prices and reflects effects of price inflation in addition to real production expansion.

Both Indian nominal and real GDP has been growing significantly in the last 5 years, except the year of the pandemic when both contracted. While nominal GDP has grown between 10-18%, real GDP grew at about 7% from 2018 to 2023.

Growth in both nominal and real GDP for India has been much higher than global counterparts, showing an increasing general prosperity for the Indian masses, which is expected to continue.

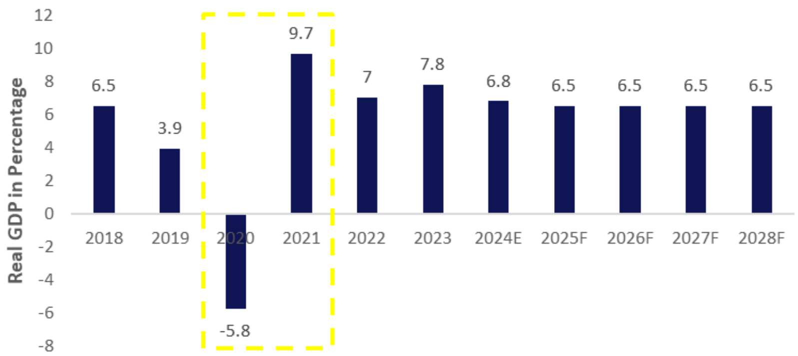
GDP Growth Rates in India, (%), Real and Nominal, 2018-2023



Source: IMF and https://esankhyiki.mospi.gov.in/catalogue?page=0&product=NAS&search=

The forecasted real GDP of India is estimated at around 6.6% between the forecast period 2024E-2029F. The strong growth showcases the strong economy of the country driven by investor friendly policies.

Real GDP Growth, FY2018–FY2028 (%)

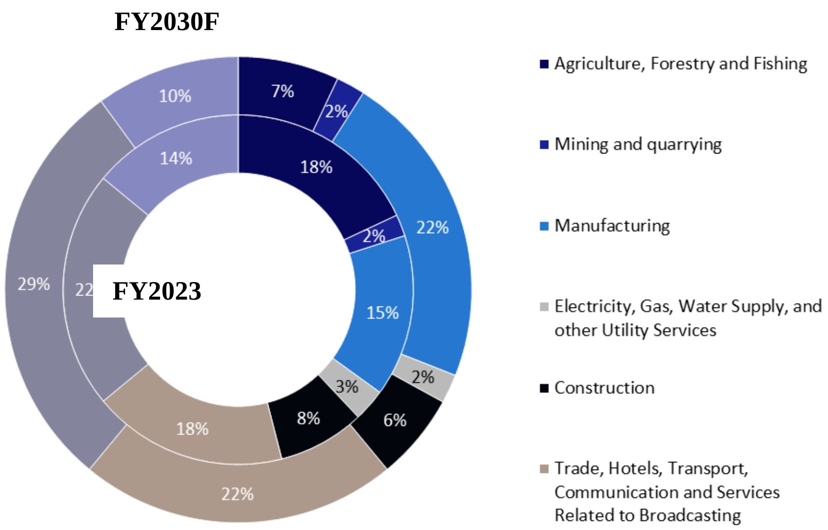


Source: IMF

Overview of Indian Manufacturing Sector

Manufacturing plays a very important role in the overall GDP contribution of India and its share of contribution to Real GDP is expected to increase from 15% in 2022 to 22% in 2030. The 'Make in India" program aims at increasing manufacturing sector contribution across 25 sectors, including aerospace and defence amongst others. Additionally, major companies like Foxconn, Oppo, ZTE, Phicomm, Mercedes Benz, BMW, Volvo, Ford, and others have invested in India, setting up manufacturing facilities and R&D centres.

Real GDP Growth in Manufacturing related to other sectors, 2023–2030F (%)



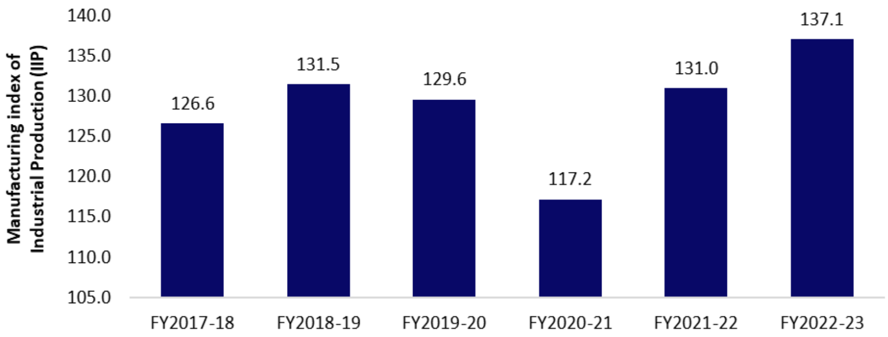
Source: Reserve Bank of India (RBI) Database

In 2019, manufacturing experienced a growth rate of 5.4% in its contribution to GVA due to steady expansion of industrial activities and a favourable economic environment. In 2020, manufacturing sector contracted by 3.0% due to COVID related disruptions -across global supply chains, factory closures, labour shortages, and a sharp decline in consumer demand. In 2021 there was a recovery in manufacturing's contribution to GVA, recording a growth rate of 2.9% and a significant resurgence in manufacturing in 2022, with its growth in contribution to GVA soaring by 11.1%. However, the momentum faltered in 2023, with a deceleration of 0.6% in its contribution to GVA-due to global economic uncertainties, geopolitical tensions, and inflationary pressures.

Trends in manufacturing Index of Industrial Production (IIP)

The trends in the manufacturing index of Industrial Production (IIP) offer a comprehensive insight into the performance and trajectory of the manufacturing sector over the fiscal years spanning from 2017-18 to 2022-23.

Manufacturing Index of Industrial Production, FY2018- FY2023



Source: https://esankhyiki.mospi.gov.in/catalogue?page=0&product=IIP&search= | Base 2011-12 - 100

In the fiscal year 2017-18, the manufacturing index stood at 126.6, indicating a baseline level of industrial activity and output and serving as a benchmark for subsequent years' performance, providing a reference point for analysing trends and fluctuations in manufacturing production. The manufacturing index increased to 131.50 in fiscal year 2018-19 driven by factors such as increased domestic demand, improved business sentiment, and favourable macroeconomic conditions. However, the fiscal year 2019-20 witnessed a slight decline in the manufacturing index reaching 129.60due to a combination of domestic and external factors, including subdued investment sentiment, trade tensions, and economic slowdowns in key export markets. The fiscal year 2020-21 marked a significant downturn in the manufacturing index, plummeting to 117.20 spurred by the disruptions caused by the COVID-19 pandemic. As economies gradually reopened and recovery efforts gained traction, the fiscal year 2021-22 witnessed a notable rebound in the manufacturing index and it reached 131.00. This resurgence reflected the initial stages of economic recovery, as pent-up demand, government stimulus measures, and resumption of industrial activities fuelled manufacturing output. The rebound in the index signalled a positive turnaround for the manufacturing sector.

Factors driving growth in the manufacturing in India

- **China+1 Policy**

  China has emerged into a global manufacturing hub, with facilities from technology companies to heavy engineering companies and textile manufacturers. Most of the Global manufacturing companies have their manufacturing based in China due to the low-cost labour. Aircraft manufacturers like Airbus and Boeing also have their facilities in China.

  Geopolitical tensions and trade related differences made overdependency on Chinese manufacturing a risk for US, who are now making concerted efforts to de-risk their manufacturing supply chain to countries like India. The China+1 strategy was designed to ensure the security of the supply chain of key products by reducing the dependency on China.

  The US sourcing in industries like textiles have reduced from 36% in 2015 to around 20% in 2021. Other segments where companies have started considering sourcing outside China include Electronics, Cosmetics and IT. Majority of this have been shifted to countries like Vietnam where the share of their sourcing has increased from 12% to 20% during the above-mentioned period. Other industries have also shifted sourcing away from China. The key advantages of China plus one policy for the investing countries is access to new markets, competitive costing and risk diversification away from China. Other robust developing economies like Vietnam, Bangladesh, India, Mexico and Brazil have benefitted from the China plus one policy. High tech companies like Foxconn and Apple have already set up their manufacturing facilities in India.

- **Make in India**

At its core, Make in India aims to revolutionize India's manufacturing landscape by targeted policy interventions, infrastructure development, and skill enhancement initiatives to empower domestic manufacturers, enhance competitiveness, and integrate India into global value chains. This is done by following measures:

- Targeted policy interventions like streamlining regulatory frameworks, simplifying procedures, and dismantling bureaucratic barriers to create a business-friendly ecosystem.

- Infrastructure development for connectivity, and logistical efficiency by investing in infrastructure projects, upgrading transportation networks, and modernizing logistics and supply chain infrastructure.

- Skill enhancement initiatives, vocational training initiatives, and educational reforms to equip the workforce with the skills, knowledge, and capabilities required to thrive in the modern manufacturing landscape.

- Attraction of foreign direct investment (FDI) into the manufacturing sector in critical sectors such as automotive, electronics, aerospace, and defence

- Promoting indigenous manufacturing and fostering the growth of domestic industries by encouraging homegrown talent, strengthen supply chains, and promote self-reliance to develop Indian enterprises, empowering them to compete globally and capture new markets.

Success of Make in India have been seen in sectors like Railways, Defence, Automotive, Electronics and Aviation. In Railways, GE and Alstom have signed a formal agreement to build locomotives in Bihar. In Defence, sector Airbus and TATA set up final assembly of helicopter in India. C295 plant is expected to be to be operational by November 2024 in Gujarat.

The Tejas Program, Light Combat Aircraft of HAL is a success story of Make in India. Boeing is currently sourcing USD 1.00 billion from India and Airbus is expected to double its sourcing from India to USD 1.5 billion in next few years.

- **PLI Scheme and 'Aatmanirbhar' Bharat**

  The Production-Linked Incentive (PLI) scheme aimed at promoting manufacturing competitiveness, boosting exports, and attracting investments in key sectors of the economy launched across electronics, automobiles, pharmaceuticals, and textiles, offers incentives to companies based on their incremental production and sales over a specified period. At its core, the PLI scheme aims to incentivize companies to expand their manufacturing capacities, adopt advanced technologies, and enhance productivity. The PLI schemes for manufacturing components of EV are an example of similar schemes. One of the key objectives of the PLI scheme is to reduce India's reliance on imports and promote domestic production across strategic sectors. By incentivizing companies to manufacture locally, the scheme seeks to enhance self-sufficiency, reduce import dependency, and bolster India's industrial capabilities. This fosters indigenous manufacturing and positioning India as a global manufacturing hub. Out of the 4,666 items across the 'For indigenization' list of Aatmanirbhar Bharat (self-reliant India), around 2,952 products have been indigenized by 2023.

- **Rise in Ease of Doing Business Ranking**

  The rise in Ease of Doing Business rankings reflects a concerted effort by countries to improve their business environments, streamline regulatory processes, and attract investments. In the World Bank's Ease of Doing Business Index, India climbed from 142nd position in 2014 to 63rd in 2019, marking a substantial leap. This ascent is attributed to various reforms undertaken by the government, such as the introduction of the Goods and Services Tax (GST), simplification of business registration processes through initiatives like the Make in India campaign, and improvements in the ease of obtaining construction permits and accessing credit. India's ranking in the ease of doing business has shown significant improvements in recent years, reflecting ongoing efforts to streamline regulations and enhance the business environment.

- **Deindustrialization of Europe and Opportunity for Alternate High Quality Manufacturing Bases**

  The process of deindustrialization in Europe, characterized by the decline of traditional manufacturing sectors, is unfolding over the past 4-5 years against a backdrop of technological evolution, and changing market dynamics. Global competition, facilitated by trade liberalization and advancements in transportation, has intensified pressure on European manufacturers to remain competitive. Additionally, technological innovations such as automation and digitalization have transformed production processes, by reducing the need for labour.

Investment trends in Aerospace

Focus on the UDAN scheme and Airport Development Projects

UDAN scheme is a significantly successful initiative by the Government of India to improve the connectivity to rural and underserved regions of the country with simultaneous development of airport infrastructure and air connectivity. The scheme was launched in October 2017 and completed 6 years in October 2023, during which time it has facilitated the air travel of more than 13 million air travellers and is expected to grow to 500 million by 2027. Around 499 new air routes have been operationalized since the commence of this initiative. The budget allocation for the UDAN scheme was around USD 60.99 million crores in FY2024-25. There has been significant focus by the central government to develop over 140 airports, including helipads, short runways, and secondary airports in metros. The government also plans to set up 150 new airports in Tier II and Tier III cities in the next 20 years to improve connectivity under the UDAN scheme.

The Government of India allowed in-principal approval for 21 greenfield airport projects, out of which 13 are functional and the rest are in various stages of construction. These airport projects are a result of Greenfields Airport Policy, 2008:

New Greenfield Airports announced in India

S.No	Airport Name	City	Inaugurated on
1	Shirdi Airport	Maharashtra	01-10-2017
2	Jharsuguda Airport	Odisha	22-09-2018
3	Pakyong Airport	Sikkim	24-09-2018
4	Kannur Airport	Kerala	08-12-2018
5	Kalaburagi Airport	Karnataka	22-11-2019
6	Kurnool Airport	Andhra Pradesh	25-03-2021
7	Sindhudurg Airport	Maharashtra	09-10-2021
8	Kushinagar International Airport	Uttar Pradesh	20-10-2021
9	Donyi Polo Airport	Arunachal Pradesh	19-11-2022
10	Mopa International Airport	Goa	11-12-2022
11	Shivamogga Airport	Karnataka	27-02-2023
12	Rajkot Airport	Gujarat	27-07-2023
13	Utkela Airport	Odisha	31-08-2023

S.No	Airport Name	City	Status
1	Navi Mumbai	Mumbai	Work in Progress
2	Vijayapura& Hassan	Karnataka	Work in Progress
3	Dabra (Gwalior)	Madhya Pradesh	Work in Progress
4	Noida International airport	Uttar Pradesh	Work in Progress
5	Dholera and Hirasar	Gujarat	Work in Progress
6	Karaikal	Puducherry	Work in Progress
7	Dagadarthi&Bhogapuram	Andhra Pradesh	Work in Progress
8	Durgapur	West Bengal	Work in Progress

Source: PIB

AEROSPACE INDUSTRY

International tourism has been significantly impacted by the COVID-19 pandemic, with global international tourist arrivals reaching 1.46 billion in 2019, a growth of 3.7% compared to 2018. In April 2023, WTTC has announced that the global Travel & Tourism sector has recovered 95% compared to pre-COVID. The total jobs in this sector globally amounted to 295 million in 2022, with an addition of 21.60 million jobs in 2022. One in 11 jobs globally are related to travel and tourism industry in 2022.

As the world recovers from the pandemic, there is a focus on sustainable practices in the tourism industry, such as using the latest technology to find innovative solutions to challenges like overcrowding in popular tourist destinations. Developing countries, particularly in Asia-Pacific, are becoming more competitive in the tourism market, with many realizing the importance of addressing restrictive visa regimes to boost economic opportunities and job creation.

The industry has been crucial in shaping the future of tourism, with aviation being the most favored means of transport for international tourism. Air travel and international tourism have been intertwined for decades, with air travel providing vital links for the global tourism industry. Over half of international tourists travel by air as per ATAG, making it a crucial sector for the tourism industry's sustainable growth.

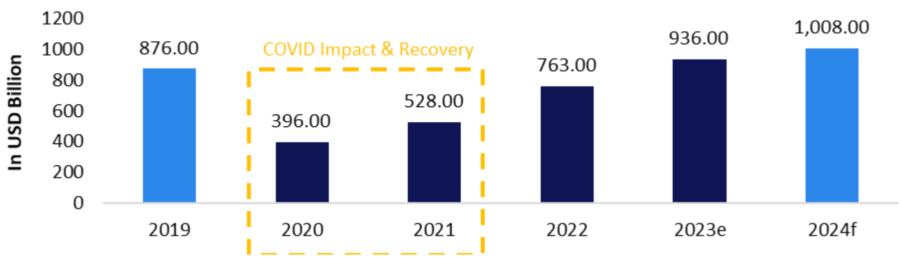
The tourism sector is a significant contributor to the global economy, generating $8.8 trillion in world GDP (10.4% of the global economy) and supporting 319 million jobs in 2019. The Global tourism body has forecasted that the GDP contribution will grow to USD 15.50 Trillion in 2033 and represent to 11.6% of Global economy, which would generate around 430 million jobs.

Increase in overall global market for tourism and travel leading to increase in Aerospace market. Strong order forecast for new passenger & freighter aircrafts globally leading to an increase in demand for new aero-tooling, airframe production and components.

Growth in the Commercial Aircraft sector

The post COVID air travel passenger volumes has witnessed a rebound and is expected to reach 4.7 billion in 2024E according to IATA. Passenger revenues are expected to reach USD 717 billion in 2024, compared to USD 642 billion in 2023. The airline profits are also expected to reach USD 49.30 billion in 2024, compared to USD 40.7 billion in 2023, according to IATA. These increase in profits are attributed to the increase in passenger numbers, which have in turn been driven by increase in tourism activities, increase in business travel and religious tourism during the last 3 years.

Total Global Spend on Air Travel, 2019-2024 (In USD Billion)



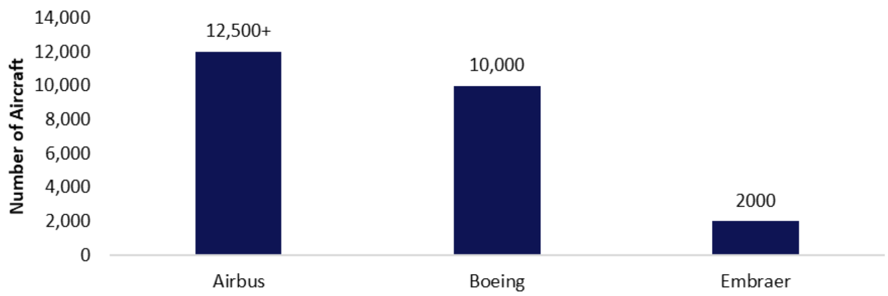
Source: IATA

Global travel has been resilient after being impacted by the COVID pandemic and - recovered to beyond pre-COVID levels by the end of 2023. Global air travel spends had amounted to USD 876 billion in 2019, which had contracted to less than half by a 54% reduction in 2020 due to COVID pandemic. The market recovered 33% to reach USD 528 billion in 2021and further by 44% to reach USD 763 billion in 2022. The milestone of recovery of air travel spend to pre-pandemic levels of 2019 was reached in 2023 and is further expected to surpass the USD 1 trillion mark in 2024.

Commercial Aircraft Global Fleet Size

The aircraft market is split almost equally between Airbus and Boeing with account for the lion's share of all aircraft purchases globally. Airbus accounting for 12,500+ aircrafts and Boeing for 10,000 aircraft globally in 2023, Embraer also accounts to a total fleet of around 2,000 aircraft. The most popular aircraft families of Airbus are A320 and for Boeing it is B737. Majority of the historical deliveries were in Americas and Europe, however the next two decades are expected to be dominated by deliveries in Asia Pacific region.

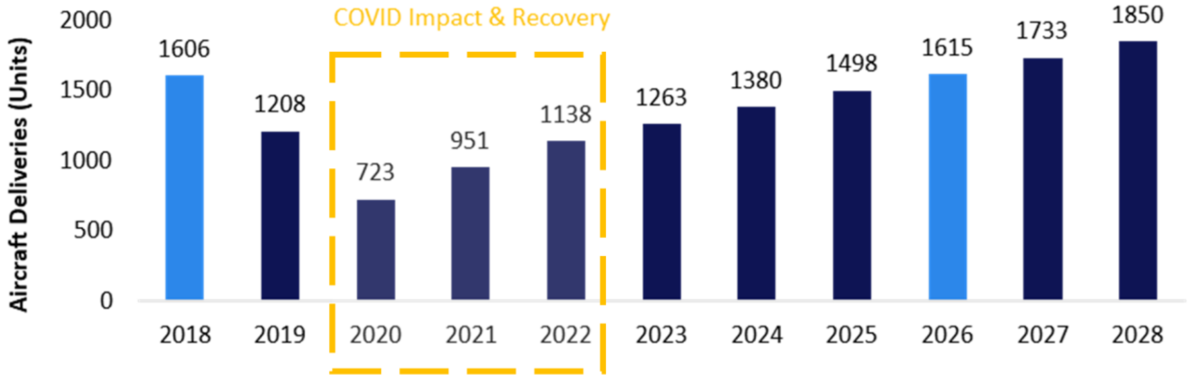
Fleet Size for Commercial Aircraft, 2023, Number of Aircraft



Source: Airbus, Boeing and Embraer report and secondary sources
Note: These are estimates may not add up to exact fleet

The number of passenger fleet deliveries globally reached a substantial 1,606 units aircrafts in 2018, indicating a period of robust growth and investment in the global transportation sector, driven by strong air passenger demands from Asia. This was an exceptionally buoyant year. 2019 witnessed a huge fall in passenger fleet deliveries, dropping to 1,208, across narrow and wide body aircraft due to COVID. The year 2020 marked a significant disruption for the transportation sector, with passenger fleet deliveries plummeting to 723 aircraft. Cash flow issues with many airlines resulted in airlines either postponing the delivery of the new aircraft or cancelling the orders altogether. 2021 saw a partial recovery in passenger fleet deliveries to 951aircrafts. The momentum of recovery continued into 2022, with passenger fleet deliveries further increasing to 1,138 aircrafts, driven by rebound in air passenger traffic. In 2023, the upward trajectory in passenger fleet deliveries continued, reaching 1,263 units. This underscored the sector's recovery, supported by ongoing efforts to enhance efficiency, innovate, and meet evolving consumer needs. The aircraft deliveries are expected to reach 1,850 aircraft in 2028 owing to the increase of monthly production rates of narrow body aircraft by Airbus and Boeing.

Global Commercial Aircraft Deliveries (in Unit Volume), 2018-2028

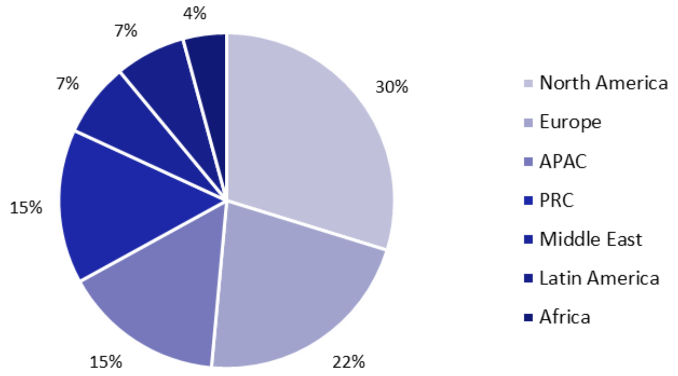


Source: Airbus, Boeing Reports

Commercial Aircraft Regional Fleet Distribution

The regional fleet distribution pattern is skewed towards developed economies, with North America and Europe accounting for 50% of the total active fleet in the world in 2022. APAC, including China and India accounted for around 30% of the global aircraft fleet in 2022. The fleet size of developing economies is expected to grow faster due to the increase in new low-cost carrier airlines entering these markets.

Regional Fleet Distribution, 2022 (Percent)



Source: IATA

The Americas maintained a substantial fleet size of 9,060 commercial aircrafts in 2022, reflecting the region's prominence as a key market for air travel. With its vast expanse and diverse economies, the Americas host a wide array of airlines catering to domestic and international routes. The robust fleet size underscores the region's demand for air transportation services. In the Americas, 4,545 aircrafts are slated to be added to the fleet, reflecting sustained demand for air travel in the region by 2040.

Eurasia, comprising Europe and parts of Asia, accounted for a fleet size of 5,920 aircrafts in 2022. This region serves as a major hub for air travel, connecting continents and facilitating trade and tourism flows. Eurasia attracts millions of passengers annually, driving demand for commercial aviation services and contributing to the region's sizable fleet size. Eurasia is set to see the addition of 4,720 aircrafts, driven by economic recovery and increasing passenger volumes by 2040.

Asia-Pacific region is the hub of the world's fastest-growing economies, with fleet size stood at 3,520 aircrafts in 2022. This dynamic region hosts a multitude of airlines serving a rapidly expanding passenger base. The region's strategic importance as a global economic powerhouse and tourism destination fuels the demand for air travel, contributing to the growth of its commercial aircraft fleet. The Asian (Asia Pacific +China) region is poised to witness the largest fleet expansion, with 11,925 aircraft slated for addition by 2042, reflecting the region's status as a global aviation powerhouse.

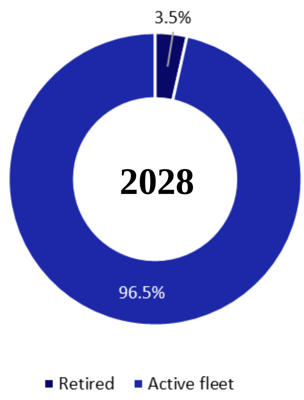
China, with its huge economy and growing aviation market, accounted for a fleet size of 4,000-4,500 aircraft in 2023, it is expected to add another 5,620 aircrafts. China plays a pivotal role in shaping global aviation trends and driving demand for commercial aircraft and is one of the world’s fastest growing aviation markets.

In the Africa/Middle East region, fleet size was3,040 aircrafts in 2022. Despite facing challenges such as infrastructure limitations and geopolitical uncertainties, the region's strategic location between major continents and growing tourism industry fuel demand for air travel, supporting the expansion of its commercial aircraft fleet. In the Africa/Middle East region, 2,875 aircrafts are set to be added until 2040, signalling confidence in the region's potential for aviation growth despite challenges.

Commercial Aircraft- Fleet Retirement

It is estimated that 5,000-5,500 aircrafts would retire and be de-fleeted during the forecast period of 2024-2028. In 2028, the aviation industry anticipates a retirement rate of 3.5% for commercial aircraft. Concurrently, the active fleet is projected to comprise 96.5% of all commercial aircraft in operation, representing the vast majority of aircraft continuing to serve airlines and passengers worldwide. This distribution reflects the industry's ongoing efforts to maintain a modern, efficient, and safe fleet, balancing the retirement of older aircraft with the introduction of newer, more technologically advanced models. Most of the commercial aircraft that are removed from commercial passenger flights are usually converted into freighter to extend their life by another 5 to 10 years, depending on the aircraft. Older aircraft models like the MD80/717, A320ceo, 737NG have a faster declining rate in the narrow body segment and models like B747, A380, B767 and A330 have a faster declining rate in the wide body segment according to Boeing.

Commercial Aircraft Fleet Retirement, 2028



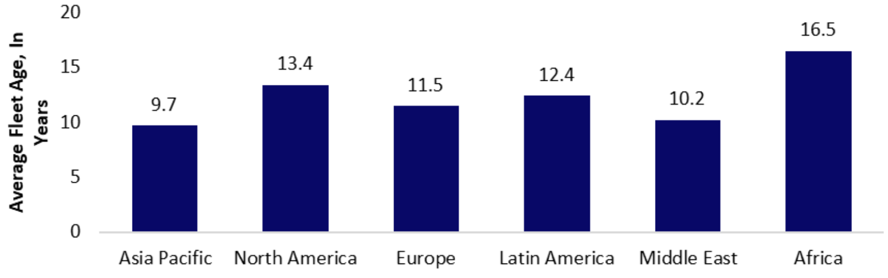
Source:https://aviationweek.com/sites/default/files/202211/2023%20Commercial%20Forecast%20-%20Findings.pdf

Average Age of Fleet- Commercial Aircraft

The average age of commercial aircraft fleets varies significantly across regions, reflecting diverse market dynamics, regulatory frameworks, and operational practices. The advanced economies have a matured aviation market, with a huge base of active fleet. The aircraft from the advanced economies like North America and Europe have a shorter average fleet life of 13.4 years and 11.5 years respectively due to the historical additions of fleet by the airlines in the region. In Latin America and Africa, the lack of investment availability to procure new aircraft has resulted in much higher average life of the fleet of 12.4 years and 16.5 years respectively.

The Asian region is expected to add around 11,925 aircrafts by 2042 due to demand for Low-Cost Carriers (LCC) in this marketlike Indigo, which order aircrafts in bulk. The induction of the new aircraft reduces the average age of the fleet. The age of the fleet of the Asia Pacific airline are much lesser due to the recent fleet additions in the airline industry in these regions.

Average Age of the Fleet based on region (in Years)



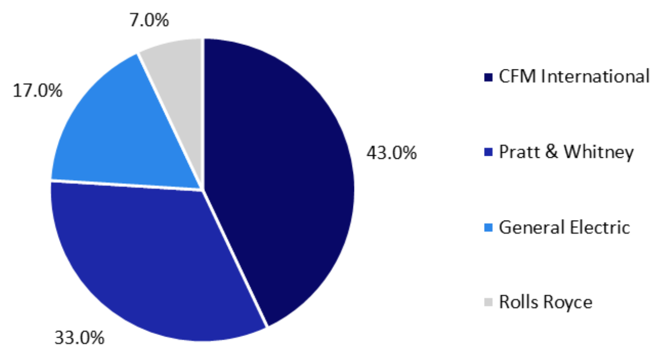
Source: Airbus and Boeing reports

Overview of different types of Engines used in Commercial Aircrafts

The narrow body aircraft have traditionally been most in demand owing to the increase in air travel for shorter connectivity for flights which last around 3.5 hours (one way). Narrow body aircraft which are the B737 and A320 have accounted for nearly 75% of the deliveries from 2018 to 2023, with a mild drop in 2019 and 2020. The narrow body aircraft are usually used by low-cost carriers, the growth of which has been a significant driver for the narrow body aircraft market.

The demand for widebody aircraft was about 20% in 2018 and have reduced in the Post COVID scenario from 2020. Regional jets and regional turbo props make up smaller segments of about 10% each and have remained stable across the study period.

Market share of Commercial Aircraft Engine in Service, 2023



Source: Order and Delivery report from OEMs

Narrow body commercial aircraft usually have a two-engine configuration, while very large aircraft like A380 and B747 have a four-engine configuration. The recent launched wide body aircraft like the B787 and the A350 have a two-engine configuration. The use of composites to reduce the weight of the aircraft with focus on environmental sustainability are the key factors which drives this market. The commercial aircraft market is dominated by CFM international which accounts for 43% of the commercial aircraft engines. CFM International is a joint venture between Safran Aircraft Engines and GE Aerospace. The next dominant player is Pratt & Whitney which accounts for 33% of the total market. These engines are typically used on the narrow body aircraft like the B737 and A320 which accounts to about approximately75%-80% of the delivery of Airbus and Boeing.

List of Commercial Aircraft Programs and their Engine Supplier

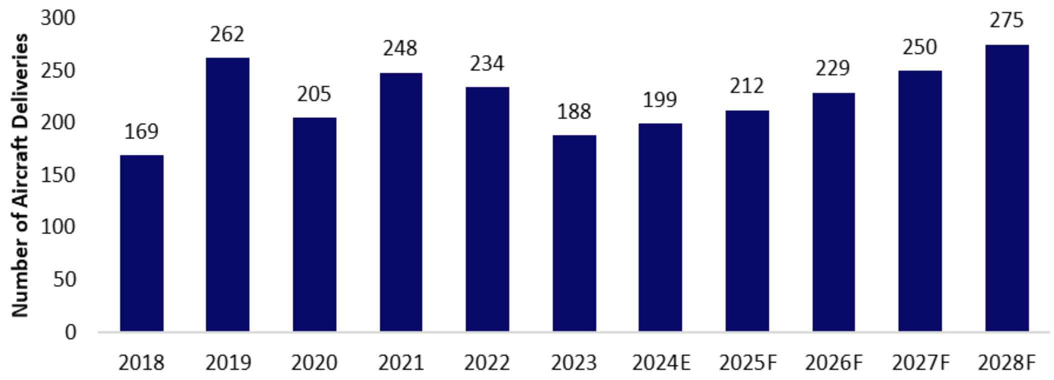
Name of the Aircraft Program	Type of Aircraft	Aircraft OEM	Engine OEM	Engine Name
E1	Narrow Body	Embraer	Pratt & Whitney	PW 1600/PW 1900
E2	Narrow Body	Embraer	Pratt & Whitney	PW 1600/PW 1900
A220	Narrow body	Airbus	Pratt & Whitney	Pratt & Whitney PW1500G
A320Family	Narrow body	Airbus	CFM International	LEAP-1A from CFM International.
A320Family	Narrow body	Airbus	Pratt & Whitney	Pratt & Whitney GTF™
A330	Wide body	Airbus	Rolls Royce	Rolls-Royce Trent 700
A330	Wide body	Airbus	Pratt & Whitney	Pratt & Whitney PW4164/8
A330	Wide body	Airbus	GE Aerospace	General Electric CF6-80E1
A350	Wide body	Airbus	Rolls Royce	Rolls-Royce Trent XWB
A380	Wide body	Airbus	Rolls Royce	Rolls-Royce's Trent 900
Boeing 737	Narrow Body	Boeing	CFM International	CFM56
Boeing 747	Wide Body	Boeing	GE Aerospace	General Electric CF6
Boeing 767	Wide Body	Boeing	GE Aerospace	General Electric CF6
Boeing 777	Wide Body	Boeing	GE Aerospace	General Electric GE90
Boeing 787	Wide Body	Boeing	GE Aerospace/ Rolls Royce	The General Electric Genx

DEFENCE INDUSTRY

The total number of defence aircrafts delivered in 2023 were 188 units, which includes fighters, transport and special mission aircraft. Of these, 155 were fighter aircrafts of the F35 program delivered to the USA. The second highest delivered defence aircraft in 2023 were 22 units of the F18. The P-8 from Boeing accounted for 11 deliveries in 2023. The increase of geopolitical conflict coupled with increase in indigenous programs in countries like India and South Korea are expected to be the key drivers in this market. Countries like India are developing their own fighter jets like the HAL Tejas combat aircraft to increase the

'Make in India' drive and reduce reliance on imports. Another key trend is the indigenisation of specific components of the imported platforms seen across multiple countries in APAC.

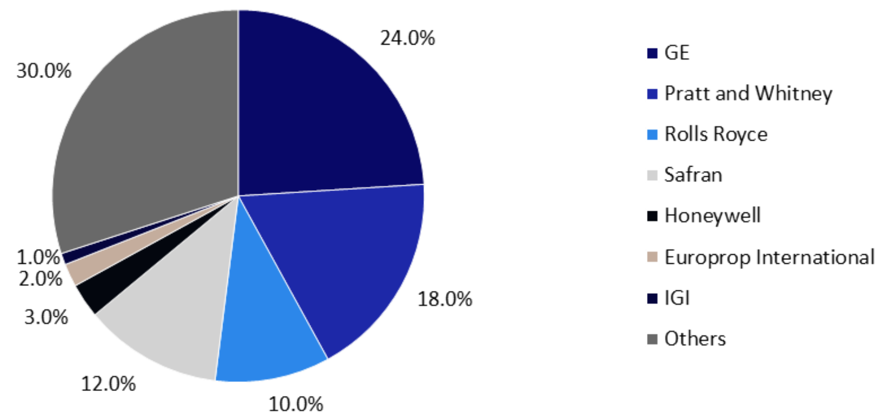
Defence Aircraft Deliveries, 2018- 2028F



Source: Deliveries estimated from Annual report of various OEs, includes 7 commonly used fighters, 8 commonly used transport aircraft and 5 commonly used special mission aircraft

Overview of different types of Engines used in Defence Aircrafts

Defence Aircraft Engine In Service, 2023



Source: Estimated from Ministry documents and OEM news

70% of the global defence aircraft engine market lies with 7 companies only in 2023 which represents a competitive market. General Electric (GE) Aviation is a significant player in the military aircraft engine market holding a 24% share in 2023. GE engines, such as the F110 and F414, power a variety of military aircraft worldwide, including fighters such as the F-15 and F/A-18. The F110 powers the new, fly-by-wire F-15EX Advanced Eagle, the fifth F-15 variant designed to replace the oldest F-15s in the U.S. Air Force fleet. It is estimated that more than 100 F-15EX multirole fighters will be purchased by the U.S. Airforce.

Pratt & Whitney accounts for 18% of the market share of defence aircraft engines and is the second largest player in the same, producing engines such as the F135, which powers the F-35 Lightning II, one of the world's most advanced fighter aircraft. Pratt & Whitney also makes engines for other military aircraft, such as the F-22 Raptor and the C-17 Globemaster III. Pratt & Whitney controls 18% of the military air engine market. Pratt & Whitney also secured the sole-source contract for F-35 engine upgrades. The program, known as the Engine Core Upgrade (ECU), is scheduled to begin with engine testing in 2026 and fielding in 2029.

Other significant players in defence aircraft engines are Safran and Rolls Royce with 12% and 10% market share respectively in 2023. Other small players are Honeywell, Europrop International and IGI with market shares between 3-1% in 2023.

List of Defence Aircraft Programs and their Engine Supplier

Name of the Aircraft Program	Type of Aircraft	Airframe OEM	Engine OEM	Engine Name
F-35	Fighter	Lockheed Martin	Pratt & Whitney	F- 135
Eurofighter Typhoon	Fighter	Eurofighter Jagdflugzeug Gmbh	Rolls Royce	EJ- 2000
Rafale	Fighter	Dassault	Safran	Snecma M88
F-15 E	Fighter	Boeing	Pratt & Whitney	F100 PW 229
F/A-18	Fighter	Boeing	GE Aerospace	F414 GE 400
Gripen E	Fighter	Saab	GE Aerospace	F414 GE 39E
LCA-Tejas	Fighter	HAL	GE Aerospace	F404 IN20
C-130	Transport Aircraft	Lockheed Martin	Rolls Royce	AE 2100
A-400 M	Transport Aircraft	Airbus	Euro Prop	TP400
C-27 J	Transport Aircraft	Leonardo's Aircraft Division	Rolls Royce	AE 2100
C-390/ KC 390	Transport Aircraft	Embraer	International Aero Engines	V2500
C-295	Transport Aircraft	Airbus	Pratt & Whitney	PW100
A-330 MRTT	Transport Aircraft	Airbus	GE Aerospace	CF6
C-17	Transport Aircraft	Boeing	Pratt & Whitney	PW2000
KC-46	Transport Aircraft	Boeing	Pratt & Whitney	PW4062
P 8	Special Mission	Boeing	CFM International	CFM56
Embraer E-99	Special Mission	Embraer	Rolls Royce	AE3007
Global 6000	Special Mission	Bombardier	Rolls Royce	BR710A2
EC-37B	Special Mission	General Dynamics	Rolls Royce	BR710 C4-11
ERJ-145I	Special Mission	Embraer	Rolls Royce	AE 3007

MAINTENANCE, REPAIR AND OVERHAUL MARKET

The global aircraft maintenance, repair, and overhaul (MRO) market is a vital sector supporting the safety, reliability, and efficiency of commercial aircraft. As the aviation industry continues to expand, driven by increasing air travel demand and fleet modernization initiatives, the aircraft MRO market also experiences significant growth and evolution in tandem.

MRO services encompass a wide range of activities, including scheduled maintenance checks, unscheduled repairs, component replacement, and overhaul services. The key objective of the MRO is to ensure aircraft safety and compliance with stringent regulatory standards set by aviation authorities like the Federal Aviation Administration (FAA) and the European Aviation Safety Agency (EASA).

Key Trends and Business Models

There are three key business models in the commercial aircraft MRO market, they are:

- **In- House MRO:** This refers to the strategies adopted by airlines to manage and maintain their aircraft fleets in-house, rather than outsourcing the work to third-party MRO providers. This approach can be beneficial for commercial air carriers that have the resources and capabilities to invest in their own infrastructure, as it allows them to control the entire maintenance process and ensure that their aircraft are maintained to the highest standards.

- **Third Party MRO Service Providers**: This refers to MRO providers who can be either airline affiliated companies which provide their additional resources to other airlines, or it could be an independent MRO provider that is providing its services to an airline. Third-party MRO business models have emerged as vital components in industries reliant on complex machinery and equipment. These models offer specialized services to maintain, repair, and overhaul assets, enabling organizations to focus on core operations while outsourcing technical expertise.

- **OEM MRO Service Providers:** In OEM MRO service provider model the maintenance services are provided by the OEMs. The OEMs are predominantly present in Engine maintenance segment of the MRO.

Types of Commercial Aircraft MRO

Commercial Aircraft MRO activities can be categorized into four main types: engine, airframe, line maintenance, and component maintenance, it is also referred as Check A, C and D.

- **Engine maintenance:** This involves the inspection, repair, and overhaul of aircraft engines. Engine maintenance is crucial for maintaining the performance and safety of the aircraft. It includes the replacement of worn or damaged parts, testing, and calibration of engine systems. They typical time frame for Engine Maintenance is around 6-8 years.

- **Airframe maintenance:** This type of maintenance focuses on the aircraft's structure, including the fuselage, wings, and control surfaces. Airframe maintenance involves the inspection, repair, and replacement of structural components to ensure the airworthiness of the aircraft. The airframe maintenance is usually scheduled between 18 months to 2 years.

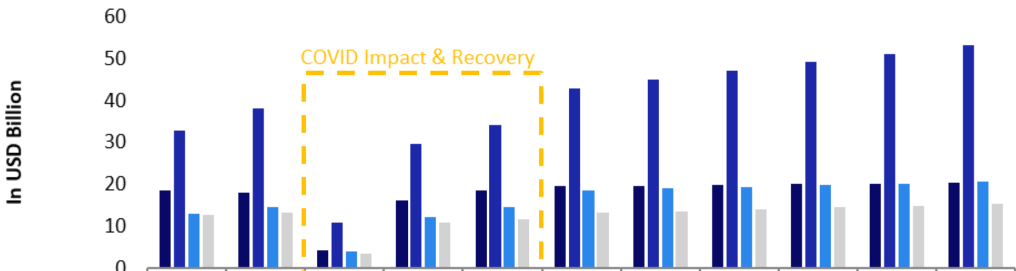
- **Line maintenance:** This type of maintenance is performed on the aircraft during scheduled stops, such as at airports or during flights. Line maintenance checks all operational fluid levels and minor maintenance are undertaken at the parking bay.

- **Component maintenance:** This involves the inspection, repair, and replacement of aircraft components, such as landing gear, hydraulic systems, and electrical systems. Component maintenance ensures that these critical systems function correctly and safely.

Global MRO: Market Sizing and Forecast: by MRO Type

The Engine MRO segment accounted to USD 42.75 billion or 46% of the total MRO revenue in 2023 and expected to grow to 49% by 2028 to reach USD billion 53.20 by 2028. The engine MRO market is expected to grow at a CAGR of 4.5% and is the fastest growing market. The second fastest growing market is the line maintenance market which is expected to grow at a CAGR of 3.0% during the forecast period 2023-2028F from USD 13.2 billion in 2023 to 15.30 billion in 2028.The line maintenance segment is expected to account for 14% of the total MRO market in 2028F. CFM 56 & Leap engines has come into maintenance phase increasing the number of tools needed by MRO shops. Further, establishment of new MRO shops will help increase the overall market demand from MROs. For example: Safran is establishing an aero-engine MRO facility in India, Hyderabad. This will enable new demand from such MRO and result into significant cost savings in terms of supply and logistics.

Global MRO Market, By MRO Type, 2018- 2028F

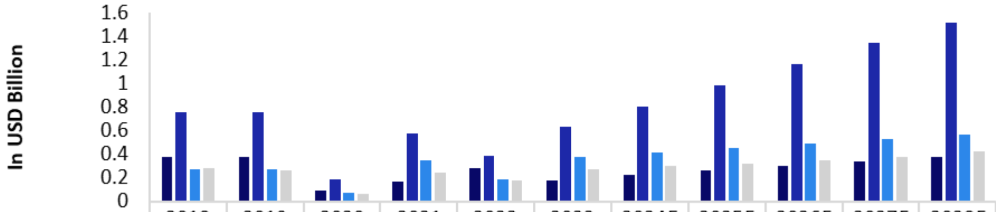


	2018	2019	2020	2021	2022	2023	2024E	2025F	2026F	2027F	2028F
Airframe	18.63	18.03	4.35	16.24	18.52	19.45	19.53	19.76	19.99	20.22	20.45
Engine	32.72	38.12	10.87	29.51	34.1	42.75	45.04	47.08	49.12	51.16	53.20
Component	12.91	14.61	4.07	12.18	14.43	18.60	18.93	19.36	19.79	20.22	20.65
Line	12.83	13.19	3.38	10.72	11.64	13.20	13.54	13.98	14.42	14.86	15.30

Indian MRO: Market Sizing and Forecast

The Indian airlines have been taking aircraft to Southeast Asian countries and Middle East to cater to the MRO needs, predominantly due to the taxation issues and lack of skilled labour in India. Even though the basic checks take place in India, the major MRO works are conducted outside India. The Indian MRO commercial market has experienced a rebound post the COVID-19. The market reduced to USD 0.41 billion in 2020 from USD 1.68 billion in 2019. The bankruptcy of Jet Airways in 2019 coupled with the impact of COVID-19 are the key reasons for the market to shrink in 2020. The market is expected to grow at a CAGR of 14.6% between the period 2023- 2028F from USD 1.46 billion to USD 2.89 billion in 2028F.

Indian MRO Market, By MRO Type, 2018- 2028F



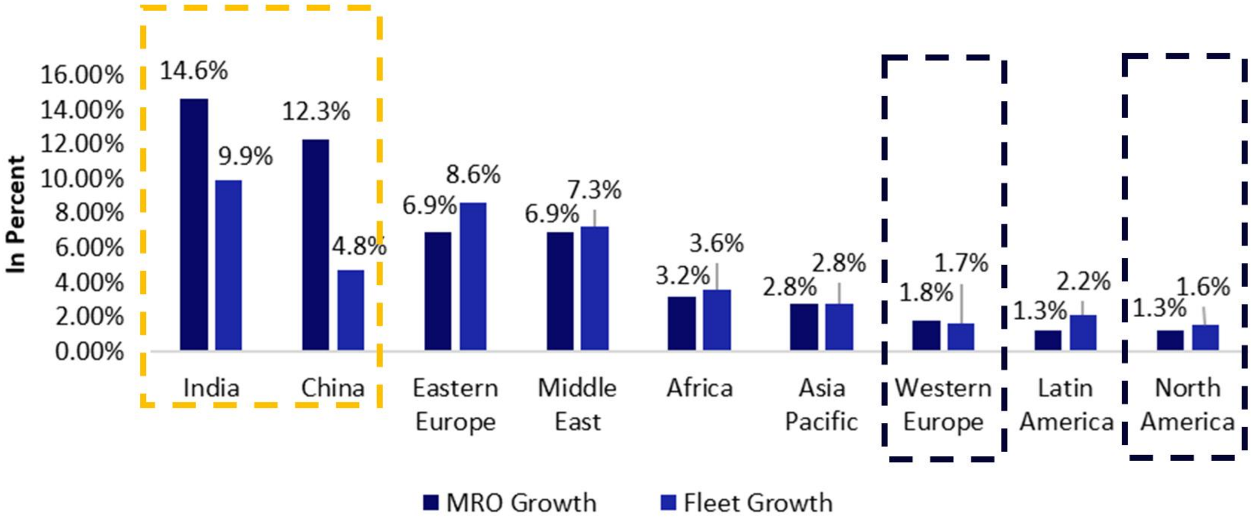
	2018	2019	2020	2021	2022	2023	2024E	2025F	2026F	2027F	2028F
Airframe	0.38	0.38	0.09	0.17	0.28	0.18	0.22	0.26	0.30	0.34	0.38
Engine	0.76	0.76	0.19	0.58	0.39	0.63	0.81	0.99	1.16	1.34	1.52
Component	0.27	0.28	0.07	0.35	0.19	0.38	0.42	0.46	0.49	0.53	0.57
Line	0.28	0.27	0.06	0.25	0.18	0.27	0.30	0.32	0.35	0.38	0.42

The engine MRO segment is expected to experience the fastest growth rate at 19.3% between the years 2023-2028F and is expected to grow from USD 0.63 billion in 2023 to USD 1.52 billion in 2028F. It is expected that India would need around 2,210 aircrafts between 2022-2042 to cater to growth in air passenger numbers. The increase in fleet numbers and entry of new airlines are expected to be the key drivers in the Indian MRO market.

There are no international engine MRO players in India, however with the growth of fleet, major engine manufacturers like SAFRAN are setting up their engine MRO facilities in India. This is a huge opportunity for the companies in the GSE tooling market. There are no other licensees in the Asia Pacific region creating a larger market opportunities to the GSE tooling companies sin India.

Geographical shifts in Global & Regional MRO markets

Growth of MRO VS Growth of Fleet, 2023-2028F



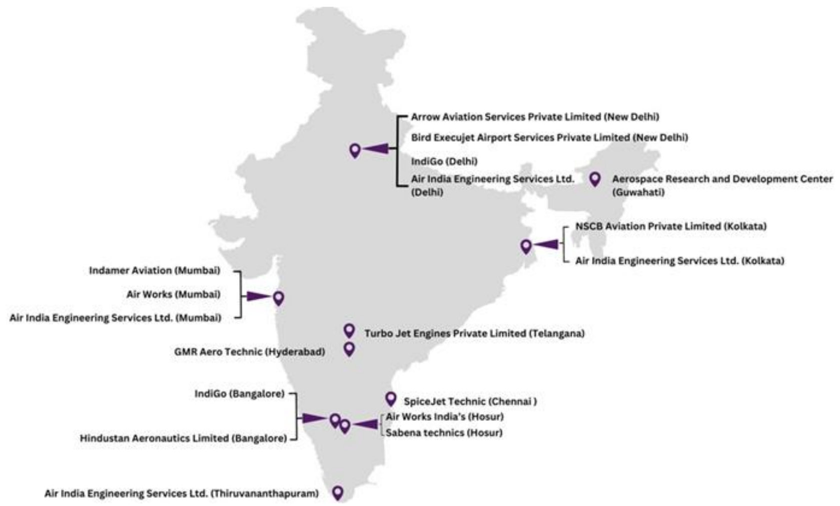
The MRO market is matured in regions like North America and Europe. Europe stands as the second-largest market for aerospace products, notably in the aero tooling sector. Major players in aero tooling and maintenance, repair, and overhaul (MRO) sectors maintain strong footholds in the European market. The increase in demand for MRO in APAC is driven by increase in aircraft fleet. The MRO market growth has shifted from the traditional markets of Western Europe and North America to Asian countries like India and China, which is because these markets are in the growth phase in the aviation market. The high growth in these markets can be attributed to increase in travel, which in turn increased the demand for air travel. The increase in travel facilitates new players to enter the airline industry. This in turn creates an organic demand for new aircraft in the region. Western Europe and North America are more matured markets, where the growth in both fleet and MRO is in the range of 1%-2%, unlike the Indian fleet market which is expected to grow at 9.9% between 2023-2028F. The MRO market is expected to grow at 14.6% during the above-mentioned period.

Growth in MRO centres globally

The traditional MRO centres have been in Europe and North America, which were dominant in terms of the total global fleet. However, the rise in air travel in populated countries like China and India in the Asia continent has shifted the fleet dominance towards Asia. The Asian region accounts to around 33% of the global fleet. These aircraft average at around 11.6 years and the need for MRO of these aircrafts open new market opportunities for MRO suppliers in Asia. The Indian MRO market is expected to witness new entrants like SAFRAN, which is expected to set up the engine MRO facility in Hyderabad for its LEAP engines. The facility is expected to be operational by 2025 with an annual capacity of 250 engines.

Global MRO centres, 2023

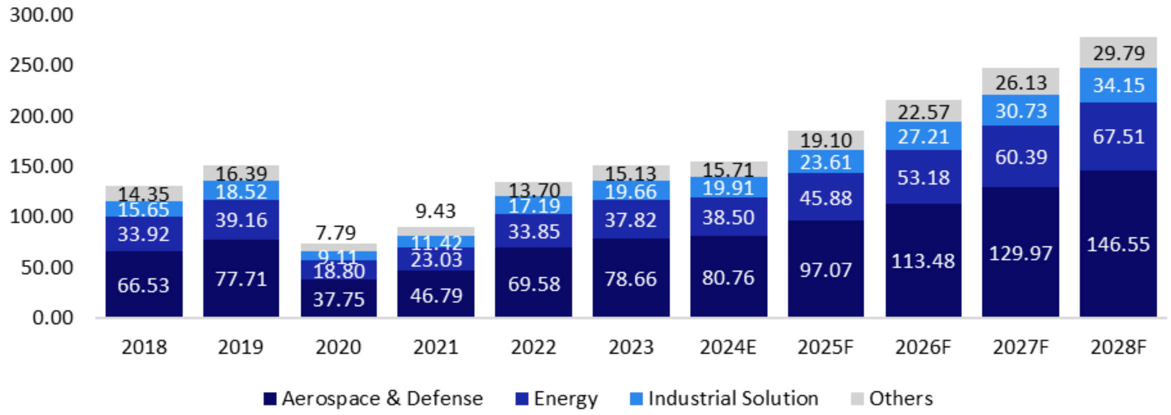
Indian MRO centres, 2023



Overview of Global Precision Tooling Market

The global precision tooling market was estimated at USD 130.45 billion in 2018 which grew to USD 151.26 in 2023. The market reduced by around 50% during the COVID period in 2020 and 2021. However, the backlog of orders in aerospace, defence industries and automotive industries coupled with the continued demand in the post COVID environment helped the precision tooling industry bounce back in 2023. The market is expected to grow from USD 154.88 billion in 2024 at an estimated CAGR of 15.8% to reach USD 278.00 billion in 2028.

Global Precision Manufacturing Tooling Market, (By USD Billion), 2018-2028F



The end user segments have been classified as Aerospace & Defence segment, Energy segment, Industrial Solutions and Others. The Aerospace and Defence end user market is expected to account to more than 50.0% of the overall market and is expected to grow at a CAGR of 16.1%, which is higher than the average market growth rate for the period 2024E-2028F.

Aerospace & Defence Precision Tooling: Aerospace and defence industries rely heavily on precision tooling to manufacture high-performance components. These components are mission critical components designed to withstand extreme conditions and ensure the safety and reliability of aircraft, spacecraft, and military equipment. Precision tooling plays a crucial role in the production of intricate parts, such as turbine blades, engines, compressor blades, and fuel nozzles, which require tight tolerances and advanced machining techniques. The precision tooling industry continues to innovate, incorporating new technologies like 3D printing to improve efficiency and reduce costs while maintaining the high standards required by these industries.

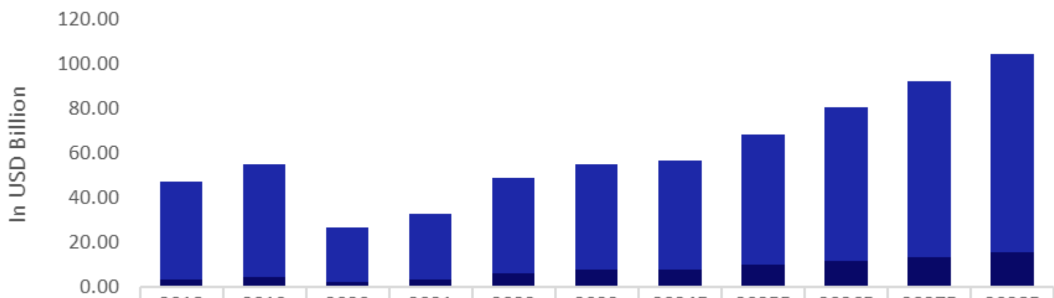
Energy Sector Precision Tooling: Precision tooling plays an important role of ensuring the efficient fabrication and maintenance of essential components in the energy sector. The precision manufactured components in the energy sector include turbine blades and drilling equipment, which needs to be optimal for performance and safety in energy production. In the nuclear segment the electromechanical components play an important part in the nuclear plant, these components are precision tooled components and are made of steel.

Industrial Solutions Precision Tooling: Industrial solutions refer to a wide range of products, services, and technologies designed to address the needs and challenges of various industries. Industrial solutions may include equipment, machinery, automation systems and maintenance and repair services. Precision tooling is integral to shop floor automation, revolutionizing manufacturing processes with efficiency and accuracy. From CNC machining to robotic assembly, precision tools ensure precise fabrication of components and seamless integration into automated systems. These tools, including fixtures, jigs, and cutting tools, enable consistent and reliable production while minimizing waste and errors. These tools are essential in industries like aerospace, defence, medical device manufacturing, and robotics, where tight specifications and high-quality production are crucial.

Overview of Aerospace Precision Tooling Market

The Aerospace market is segmented into Space and Commercial Aviation, space covers all launch vehicles and satellite systems, and commercial aviation constitutes all aircrafts produced by Airbus, Boeing and other manufacturers. The space segment for precision tooling market is estimated at USD 8.19 billion in 2024 and is expected to grow to USD 15.70 billion in 2028 at a CAGR of 17.66%. The commercial aviation segment is estimated at USD 48.57 billion in 2024 and is expected to grow to USD 88.97 billion in 2028. The privatization of the space services allowing the participation of private players are the key drivers in the space segment. The order backlogs and the plan to increase the monthly production numbers of narrow body aircraft by Airbus and Boeing. For example: Airbus plans to produce around 75 A320s a month from 2026 onwards is expected to be the key growth drivers for the commercial aviation market. Apart from these the future growth in MRO sector in countries like India and China are expected to drive this market.

Global Aerospace Segment, Precision Tooling Market, 2018-2028F



	2018	2019	2020	2021	2022	2023	2024E	2025F	2026F	2027F	2028F
Aerospace	43.91	50.51	24.16	29.19	42.58	47.19	48.57	58.52	68.57	78.72	88.97
Space	3.33	4.66	2.64	3.74	6.26	7.87	8.19	9.98	11.83	13.74	15.70

Precision tooling in the aerospace industry are used in the following:

- Machining Components: Precision machining tools such as CNC mills, lathes, and grinders are used to fabricate parts from materials like aluminium, steel, titanium, and composites. These tools must maintain high tolerances to meet aerospace specifications and ensure the structural integrity and aerodynamic efficiency of the final components.

- Composite Manufacturing: Aerospace components, such as aircraft fuselages and wings, are constructed using advanced composite materials to achieve lightweight yet durable structures. Precision tooling is essential in the fabrication of composite parts, including molds, mandrels, and cutting tools optimized for composite materials.

- Sheet Metal Fabrication: Precision tooling is used extensively in the fabrication of sheet metal components for aerospace applications. Punching, bending, and forming tools are employed to shape metal sheets into complex parts, such as aircraft skins, bulkheads, and structural components, with high accuracy and repeatability.

- Assembly and Fastening: Precision tools play a critical role in the assembly and fastening of aerospace components. Automated riveting machines, torque wrenches, and specialized assembly jigs ensure that parts are assembled correctly and securely, meeting the stringent safety and reliability requirements of the aerospace industry.

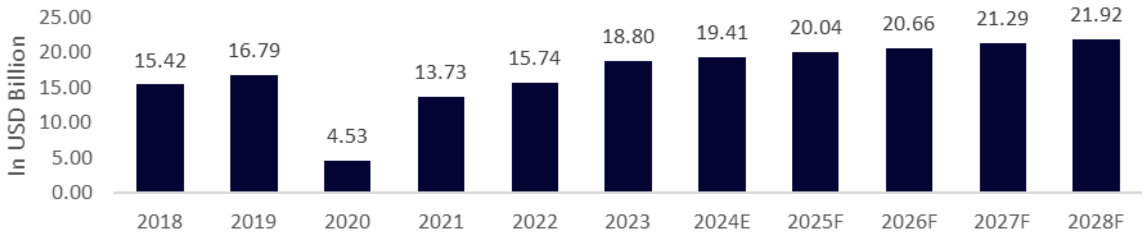
- Quality Assurance and Inspection: Metrology equipment such as coordinate measuring machines (CMM), laser scanners, and optical inspection systems are used to verify the dimensional accuracy and quality of aerospace components. Precision measuring tools enable aerospace manufacturers to detect defects, deviations, and discrepancies early in the production process, ensuring compliance with strict quality standards.

- Tooling Materials and Coatings: Aerospace applications often require tooling materials and coatings optimized for high-temperature, high-strength, and abrasive machining conditions. Carbide, ceramic, and diamond coatings are commonly used to enhance tool life, wear resistance, and cutting performance in aerospace machining operations. Apart from the above mentioned, there may be specific instances of custom precision tooling requirement for some parts.

Overview of Global MRO Tooling Market

The MRO tooling market is expected to grow from USD 19.41 Billion in 2024E to USD 21.92 Billion in 2028F. This market is expected to grow at a CAGR of 3.1% during the period 2024E to 2028F. The MRO tooling can account for around 20% of the overall MRO market and the total GSTE can account to around 8-10% of the MRO tooling market. The other cost composition of the MRO cost are the labour and the material. The labour cost in Europe and North America are on an average 4 times the cost of labour in India, which opens a huge potential for MRO providers in India due to their huge cost advantage.

Global MRO Tooling, (By USD Billion), 2018-2028F

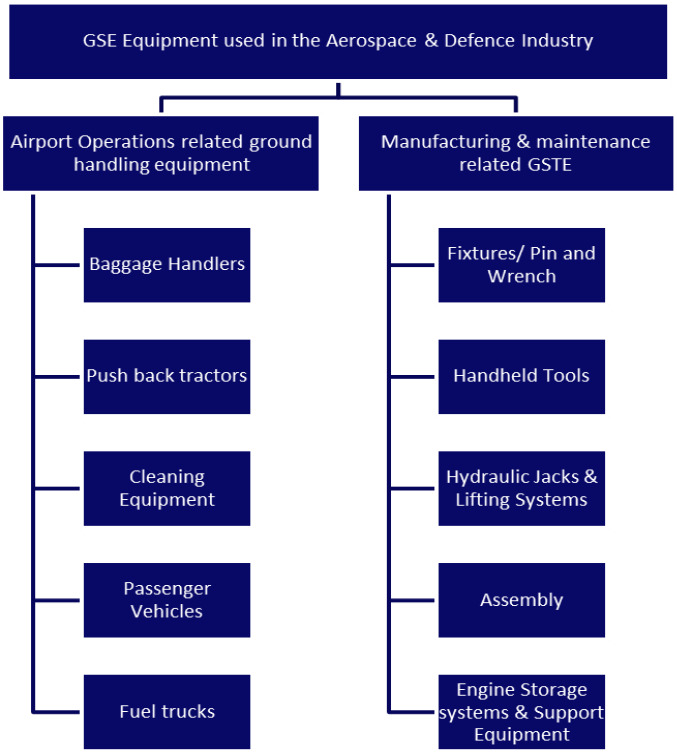


Overview of Global Ground Support Equipment Market

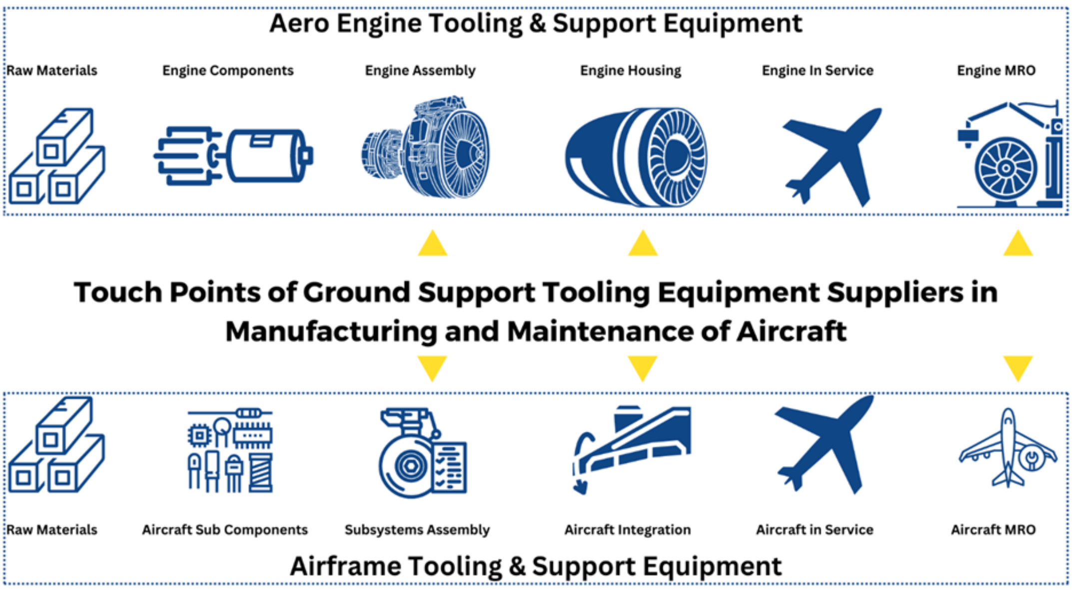
Airport ground support equipment (GSE) comprises an essential array of vehicles and machinery vital for the efficient functioning of airport operations. GSE plays a critical role in facilitating the safe and timely servicing of aircraft on the ground. The Ground Support Equipment vary based on their functional needs. The ground support equipment is used for tasks like guiding aircraft to and from parking positions to the taxiway, ground power units, providing crucial electricity supply to parked planes, to name a few. These are equipped with powerful engines and manoeuvring capabilities, enable the precise positioning of aircraft for maintenance, refuelling, and boarding activities. As airports continue to evolve and expand, the role of GSE becomes increasingly vital in maintaining operational efficiency, enhancing safety standards, and ultimately delivering a seamless travel experience for passengers worldwide.

The Ground Support Tooling Equipment (GSTE) are used in manufacturing and maintenance of the aircraft.

Types of GSTE used in Aerospace & Defence Industry, 2024

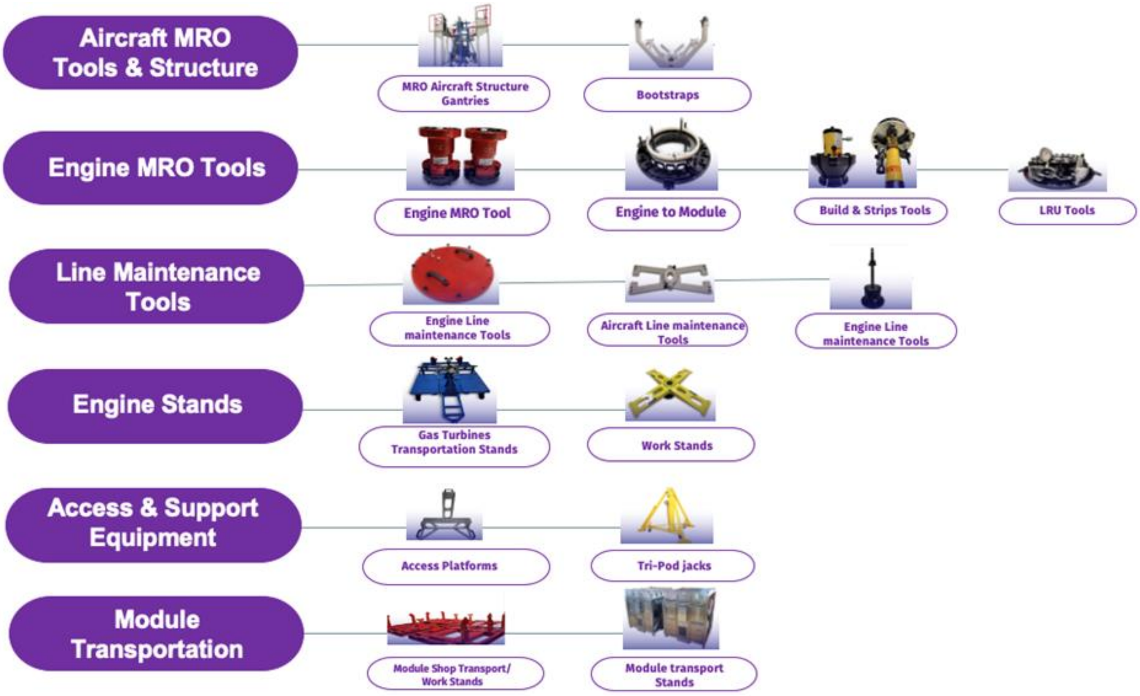


Touchpoints of GSTE in Manufacturing and MRO of Aircraft



The touch points of Ground Support Tooling Equipment providers are across three phases in both Engine and Aircraft manufacturing and maintenance. The Aero Engine tooling is used to mount the engine in Check D, it is also used in Check C when required. The Airframe tooling equipment are used in component check, Check C and Check D. The Airframe tooling and support equipment are used for any manufacturing and maintenance activity of airframe and the Aero Engine tooling and support equipment are used only for Engine related manufacturing and maintenance.

Types of Global GSTE, 2023



DEMAND For GSTE and GROWTH DRIVERS

- **Growth in Air Travel:** The growth in air travel has been a transformative force in the global transportation industry, driven by factors such as increased affordability, technological advancements, and expanding global connectivity. Firstly, economic liberalization and rising disposable incomes in developing countries have fuelled a surge in air travel, particularly in Asia and the Middle East. The Indian air travel market is an example of disposable income, wherein the air travel passengers are expected to reach 300 million in 2030. Secondly, the rise of low-cost carriers has democratized air travel, making it more affordable for a wider range of passengers. This has led to the development of smaller, more efficient airports focused on budget travel, often located outside major city centres. In Europe and North America the Low Cost Carriers account to nearly 30%-35% of the total passengers carried. In India, Indigo alone accounted to 54.7% of the market in FY2023. This rapid increase in air travel has propelled the growth of aircraft maintenance, this in turn increases the tooling market of the Global airlines.

- **Increase in aircraft cycles:** The aviation industry has witnessed a significant increase in aircraft cycles in recent years, driven by various factors that impact aircraft utilization and operations. An aircraft cycle refers to one complete flight operation, encompassing take off, flight, and landing. Several factors contribute to the rise in aircraft cycles, including the growing demand for air travel, expansion of airline fleets, and increased frequency of short-haul flights. With rising global prosperity and affordability of air travel, passenger numbers have surged, leading airlines to operate more flights to meet the demand. Additionally, the emergence of low-cost carriers and the liberalization of air travel markets have resulted in a proliferation of short-haul routes, further boosting aircraft cycles. Furthermore, advances in aircraft technology and operational efficiency have enabled airlines to optimize flight schedules and increase aircraft utilization rates.

  Modern aircraft are designed to withstand a higher number of cycles, allowing airlines to deploy them more frequently without compromising safety or performance. Moreover, improved maintenance practices and reliability of aircraft systems have contributed to the ability to operate more flights within shorter timeframes. The increase in aircraft cycles poses both opportunities and challenges for airlines and the aviation industry.

- **Aging Aircraft Fleet:** As aircraft gets older, the maintenance cycles and the cost required for maintaining the aircraft increases. The aging of commercial aircraft fleets has become a significant concern for airlines worldwide. The average fleet age of Middle East and Asia is around 10.2 years and 9.7 years, respectively. The age of European fleet is also around 11.5 years. However, the average age of North American fleet is slightly older at 13.4 due to the aging regional jets. Asian fleet accounts to around one third of the total global fleet, which translates to a huge market opportunity in the next 3-4 years. The rising fleet age led to a rise in maintenance costs, technological obsolescence, and the need for frequent upgrades to meet evolving passenger demands and environmental regulations. To address these challenges, airlines are exploring various strategies, such as implementing predictive maintenance systems, optimizing fleet utilization, and exploring end-of-life optimization techniques.

ENERGY SECTOR OVERVIEW

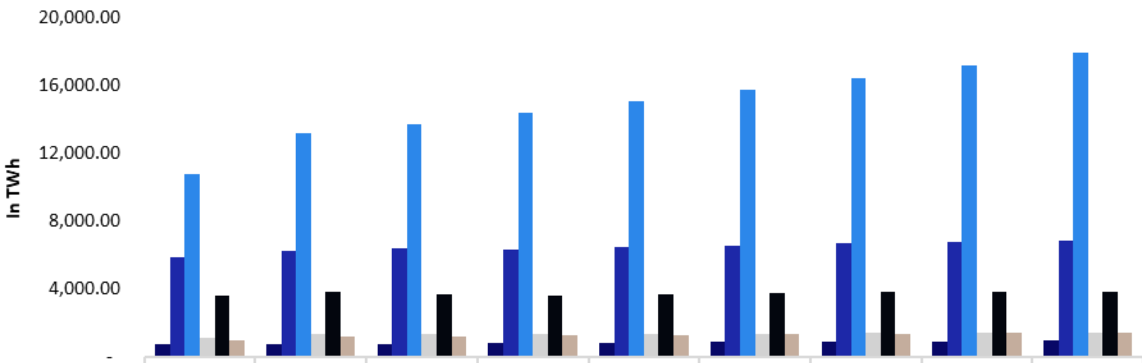
Global Outlook

Energy consumption serves as a fundamental indicator of economic development, industrial activity, and quality of life across different regions and countries. Fossil fuels, including oil, coal, and natural gas, have traditionally dominated global energy consumption due to their affordability, availability, and energy density. However, there has been a growing emphasis on renewable energy sources such as solar, wind, and hydropower in recent years, driven by concerns over climate change, energy security, and environmental sustainability.

Developed regions, such as North America and Europe, have historically accounted for a significant share of global energy consumption, propelled by advanced industrial sectors and high standards of living. In contrast, emerging economies in Asia, particularly China and India, have witnessed rapid growth in energy demand as they undergo industrialization and urbanization. This shift in energy consumption patterns has profound implications for global energy markets, geopolitical dynamics, and environmental sustainability.

As the world seeks to address the challenges of climate change and achieve a transition towards cleaner and more sustainable energy sources, a comprehensive overview of global energy consumption serves as a roadmap for shaping the future of energy production and consumption worldwide.

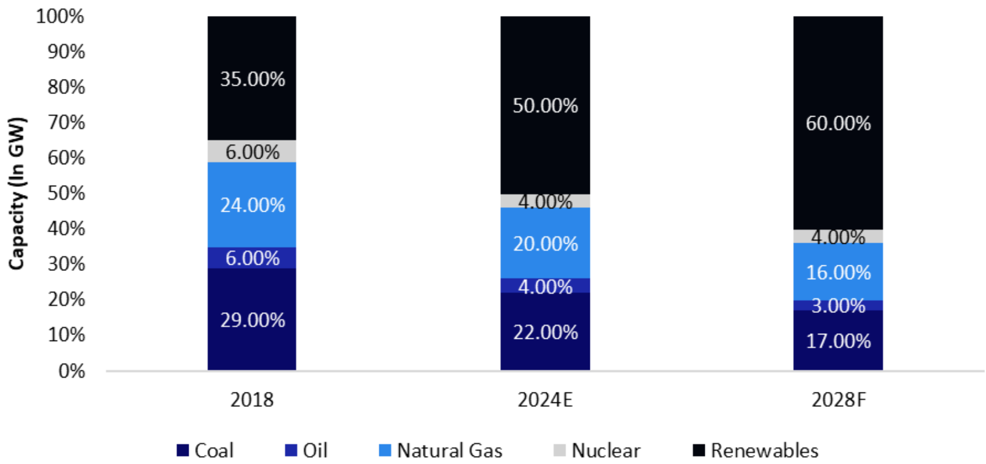
Global Regional Energy Consumption, 2018- 2028F



	2018	2021	2022	2023	2024E	2025F	2026F	2027F	2028F
Africa	703.00	753.00	765.00	780.00	815.67	851.33	887.00	916.61	947.20
Americas	5,867.00	6,219.00	6,382.00	6,353.00	6,461.00	6,569.00	6,677.00	6,772.91	6,870.20
Asia Pacific	10,792.00	13,193.00	13,733.00	14,394.00	15,082.33	15,770.67	16,459.00	17,203.50	17,981.68
Eurasia	1,084.00	1,302.00	1,316.00	1,335.00	1,352.00	1,369.00	1,386.00	1,403.44	1,421.10
Europe	3,631.00	3,813.00	3,674.00	3,586.00	3,672.33	3,758.67	3,845.00	3,852.80	3,860.62
Middle East	954.00	1,172.00	1,210.00	1,235.00	1,272.33	1,309.67	1,347.00	1,385.03	1,424.13

The global energy consumption patterns vary significantly based on factors such as population density, economic development, industrial activities, and natural resource availability. Developed regions typically exhibit higher per capita energy consumption, driven by industrialization, urbanization, and advanced infrastructure. The Americas are expected to grow at a moderate CAGR of 1.6% between the period 2024-2028. In contrast, while emerging economies like Asia Pacific accelerate at a CAGR of 4.6% during the same period as they undergo industrial expansion and urban development. Regional energy consumption encompasses various sectors, including transportation, industry, residential, and commercial sectors, each with its unique patterns and drivers.

Global Energy Capacity, By Source, 2018- 2028F

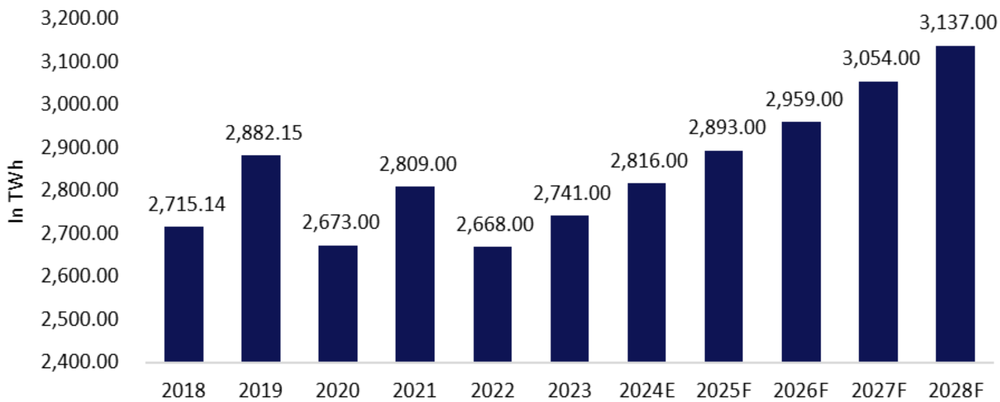


Global power generation encompasses various energy sources, including coal, natural gas, nuclear, and renewables like solar and wind. While coal and natural gas remain dominant due to their affordability and reliability in 2023, renewable energy capacity is rapidly expanding, driven by environmental concerns and technological advancements. Nuclear power provides low-carbon baseload electricity but concerns over safety and waste disposal persist. Renewal energy capacity has grown from 35.0% to 50.0% in 2024E and is expected to grow to 60.0%, contributing to a more diverse and sustainable global energy mix. Solar energy being the most rapidly growing renewable power generation technology.

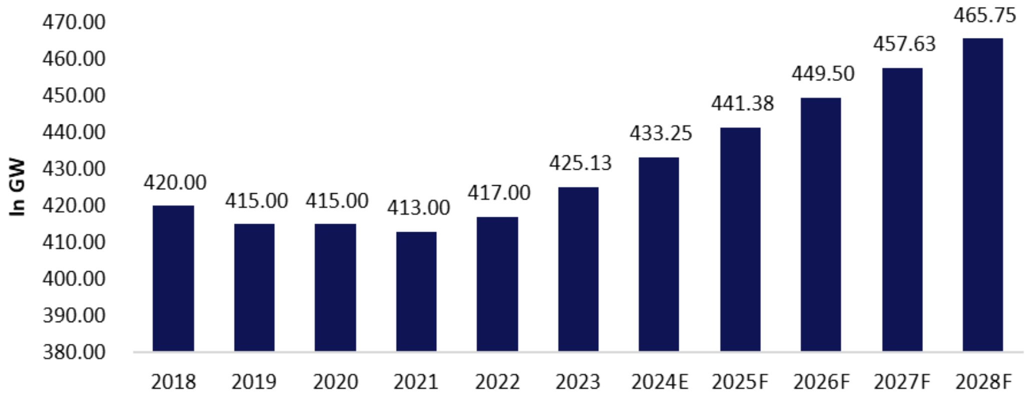
Nuclear Energy

Nuclear power plants harness the energy released from nuclear reactions to generate heat, which is then converted into electricity through steam turbines. Despite concerns surrounding safety and waste management, nuclear energy remains a key component of the global energy mix, particularly in countries like the United States, France, China, and Russia, which host a substantial number of nuclear reactors. These nations rely on nuclear power to meet their electricity demands while reducing greenhouse gas emissions and mitigating climate change. Moreover, nuclear energy provides energy security by diversifying the sources of electricity generation and reducing dependence on fossil fuels. However, the nuclear industry faces challenges such as high construction costs, public perception, and concerns over nuclear proliferation. Additionally, the safe disposal of nuclear waste and the decommissioning of aging nuclear plants pose significant logistical and environmental challenges. Despite these hurdles, nuclear energy continues to account to around 4%of the total installed capacity, especially as countries seek to transition towards cleaner and more sustainable energy systems to address the challenges of climate change and ensure energy security.

Global Power Generation-Nuclear (In Twh), 2018- 2028F



Global Power Capacity-Nuclear (In GW), 2018- 2028F



Nuclear power has faced stagnation in recent years due to several factors' safety concerns following accidents like Fukushima have led to increased regulatory scrutiny and public opposition, delaying the construction of new nuclear plants, and leading to the premature closure of existing ones in some countries.

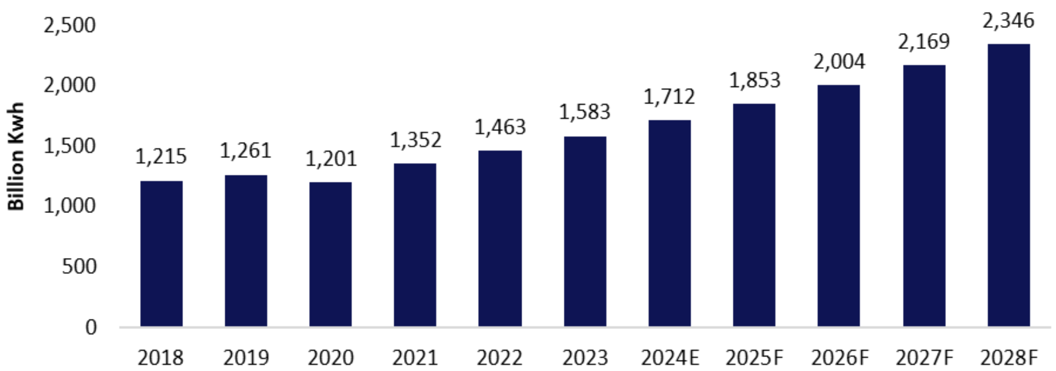
There are around 168 nuclear plants in Europe and another 10 are under construction. France generates around 62.6% of the global electricity generated from nuclear power source. Europe remains divided on the topic of power generation from nuclear sources. Germany, Lithuania and Italy have completely phased out nuclear based power generation. However, some countries, particularly those seeking to reduce reliance on fossil fuels and meet climate targets, are reevaluating their stance on nuclear power. Advanced reactor designs, such as small modular reactors (SMRs) and Generation IV reactors, offer potential solutions to safety, cost, and waste management challenges, generating renewed interest in nuclear energy.

Indian Outlook

India's power consumption is on a steep climb, fuelled by a booming economy, rising living standards, and rapid urbanization. The Indian power consumption has increased from 1,215.00 billion Kwh in 2018 to 1,582.81 billion Kwh in 2023 and is expected to further grow to 2,346.16 billion Kwh by 2028F.

The energy mix in India is skewed to Steam those accounts for around 75%-80% of the power generated. This is followed by renewable and hydro which accounts to 13% and 10%, respectively in 2023. The share of renewable energy is expected to surpass 25% by 2030 and coal fire. There is a growing focus on renewable energy sources like solar and wind. The government is actively promoting renewable energy projects due to their cost-effectiveness and environmental benefits. This focus on renewables is expected to play a crucial role in meeting India's future energy needs in a sustainable manner.

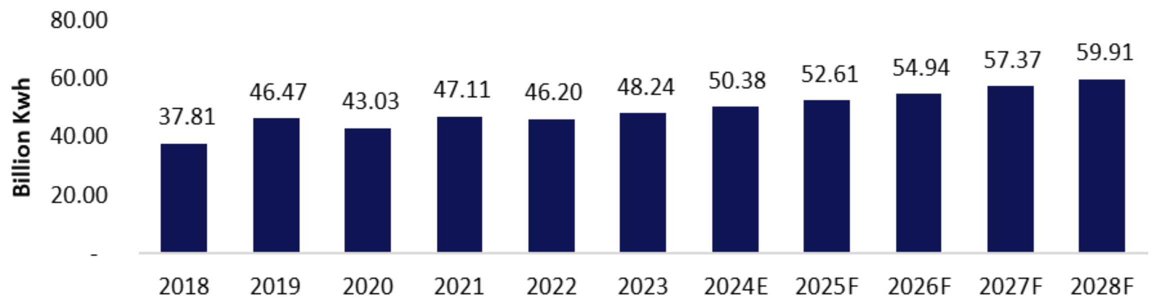
India's Power Consumption, 2018- 2028F



Nuclear Energy

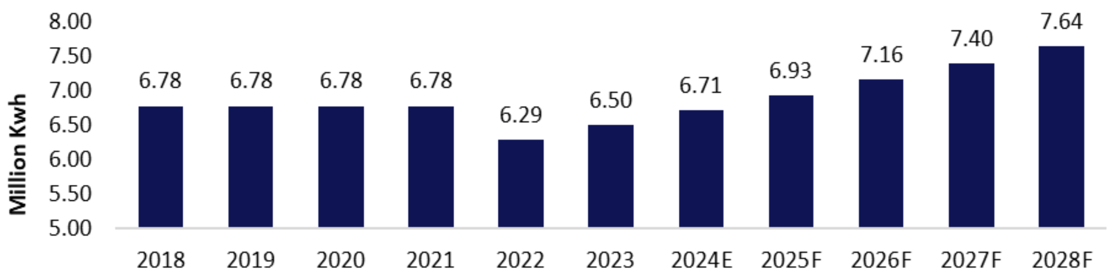
India's power generation from nuclear sources constitutes of around 2.6% of the total power generation in India. It is expected to grow from 48.24 billion Kwh in 2023 to 59.91 billion Kwh in 2028F. India is expected to use three stage programs for power generation with a combination of Pressurized Heavy Water Reactor (PHWR) and Fast Breeder Reactor (FBR). This would give the capability to grow multi fold capacity additions through uranium- plutonium route.

Nuclear Power Generation (Billion Kwh) 2018- 2028F



India nuclear power has a total installed capacity of 6.71 million Kwh in 2024E, and this is expected to grow to 7.64 million Kwh in 2028F. The Government is adding capacity into the nuclear power generation sector. Two more reactors of 1,000 MWe have been approved and is expected to be ready by 2030. These two reactors are expected to be in Kudankulam, this would increase the nuclear capacity capability to 22,480 MWe by 2030. There are around 22 operational nuclear reactors in India and another 11 nuclear stations are expected to be commissioned with a cumulative capacity of 8,700 MW. India has plans to increase nuclear power generation mix of nuclear from 3% to 10% in the future. Shifting to the nuclear energy sector, large tenders are expected from the energy and power sector for the construction of 10 new reactors within the next 8 years. The cost of one nuclear power plant could vary from USD 6 Billion to USD 10 Billion based on the capacity (For 1,100 MW) and the cost of electromechanical component in the nuclear power plant could vary from 25%-30%.

India Power Capacity-Nuclear (Million Kwh) 2018- 2028F



Major Nuclear Installations in India, 2024

Name	State	Capacity	Highlights
Kudankulam Nuclear Power Plant	Tamil Nadu	2,000 MW (2 units of 1,000 MW each)	This plant uses VVER-1000 reactors supplied by Russia and is the largest nuclear power station in India.
Tarapur Atomic Power Station	Maharashtra	1,400 MW (2 units of 540 MW and 2 units of 160 MW)	It is the oldest nuclear power plant in India, with its first units commissioned in 1969.
Rajasthan Atomic Power Station	Rajasthan	1,180 MW (8 units of varying capacities)	The first unit of this plant was commissioned in 1973, and it now has multiple reactors in operation.
Kaiga Atomic Power Station	Karnataka	880 MW (4 units of 220 MW each)	Known for its indigenous pressurized heavy water reactors (PHWR).
Madras Atomic Power Station (MAPS)	Tamil Nadu	440 MW (2 units of 220 MW each)	Located at Kalpakkam, it uses PHWR and was among the first reactors in India to be constructed indigenously.
Narora Atomic Power Station	Uttar Pradesh	440 MW (2 units of 220 MW each)	This plant is located on the banks of the Ganges River and uses PHWR technology.
Kakrapar Atomic Power Station	Gujarat	440 MW (2 units of 220 MW each, with additional units under construction)	It uses PHWRs and is undergoing expansion to increase its capacity.
Kalpakkam PFBR	Tamil Nadu	500 MW (under construction, expected to be operational soon)	This plant will be a significant step for India's fast breeder reactor program.
Bhimpur Nuclear Power Plant	Madhya Pradesh	1,400 MW (proposed)	This plant is in the planning stage and will significantly boost nuclear capacity upon completion.

Name	State	Capacity	Highlights
Chutka Nuclear Power Plant	Madhya Pradesh	1,400 MW (proposed)	Another planned project expected to add to India's nuclear power generation capability.

PRECISION ENGINEERED COMPONENTS OVERVIEW

Precision Engineered Components (PEC) are parts designed and manufactured with extremely low tolerances, typically measured in microns (one thousandth of a millimetre) and these are used in applications like aircraft engines, turbine components in the energy sector, automotive engines, fuel injection systems and nuclear power plants. This level of precision is achieved using advanced technologies and techniques, including computer numerical control (CNC) machining, micro system technology, and precision engineering machines. The production of these components involves careful consideration of various factors, such as the positioning of features, type of tooling used and load limits, to ensure long-term stability and performance.

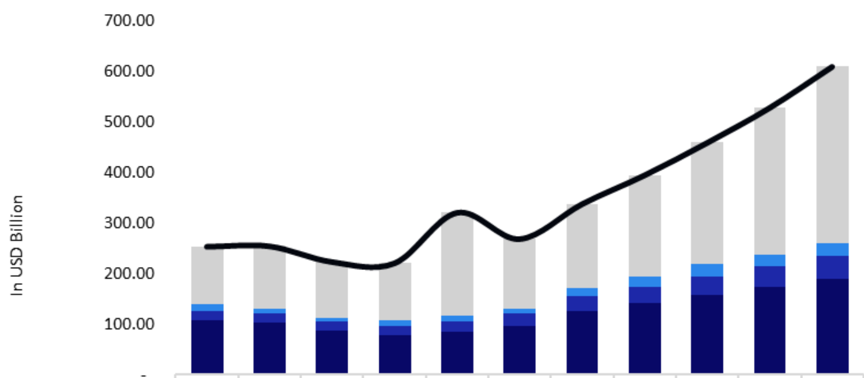
Global Outlook by PEC segment

The braking and the transmission market, comprising of Gear, Clutch, Differential and Shaft and expected to account for USD 167.27 billion in 2024E and expected to grow at a CAGR of 20.3% to USD 350.47 billion in 2028F. The overall growth for the automotive segment in the Asian region is expected to be the key driver for this market.

The Aerospace & Defence sector is the second largest sector for precision engineered components and estimated to account to around USD 125.67 billion in 2024E. It is expected to grow at a CAGR of 10.8% between the period 2024E to 2028F and reach USD 189.67 billion in 2028F. The increase in defence budgets driven by geopolitical conflicts is expected to be the key drivers for this segment during the forecast period 2024E to 2028F.

Semiconductor precision component manufacturing is expected to account to USD 29.04 billion in 2024E and is expected to grow at a CAGR of 11.99% to USD 45.67 billion until 2028F. The growth in electronics market is one of the key drivers in this market. The ongoing nuclear power plant projects are expected to drive the electromechanical subsystems for nuclear applications from USD 16.80 billion in 2024E at a CAGR of 10.1%. to USD 25.20 billion in 2028F The overall market for these segments is expected to grow at a CAGR of 15.89% and grow from USD 338.78 billion in 2024E to USD 611.01 billion in 2028F.

Global Outlook, By Segment, 2018-2028F



	2018	2019	2020	2021	2022	2023	2024E	2025F	2026F	2027F	2028F
Braking & transmission systems for Automotive	113.95	123.61	110.50	113.85	204.95	139.44	167.27	200.89	241.55	290.79	350.47
Electromechanical Components for Nuclear Applications	15.12	10.08	8.40	10.08	10.08	8.40	16.80	20.16	23.52	23.52	25.20
Semiconductor manufacturing equipment	16.34	17.19	18.25	18.85	22.14	24.88	29.04	33.20	37.35	41.51	45.67
Aerospace & Defense	108.83	104.16	86.90	78.64	84.53	96.81	125.67	141.67	157.67	173.67	189.67
Total Market	254.24	255.04	224.05	221.42	321.70	269.53	338.78	395.92	460.10	529.49	611.01

AEROSPACE & DEFENCE

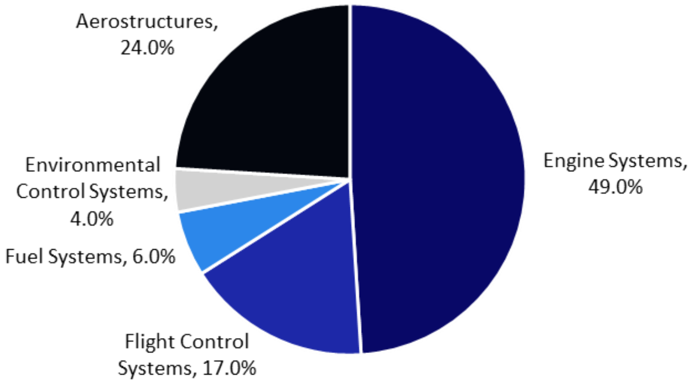
The key components in the aerospace & defence segment that require precision manufacturing basis commercial aircraft include the following, that are further split to sub segments or smaller components:

- Engine Systems
- Flight Control Systems

- Fuel Systems
- Environmental Control Systems
- Aerostructures

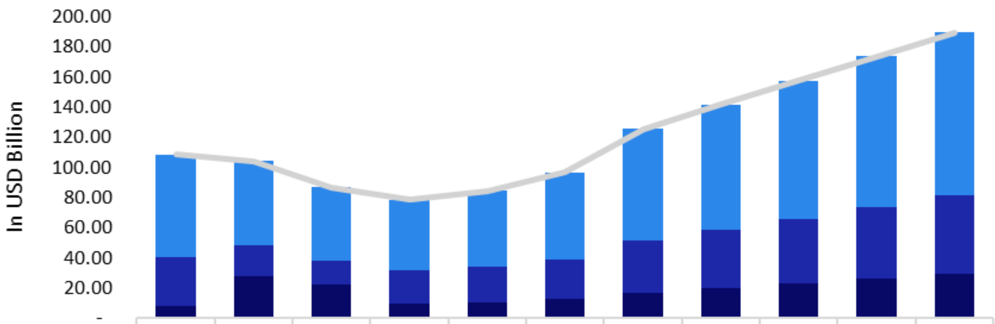
Out of the above mentioned, precision components manufactured for engines are the most expensive due to the type of tooling and the type of material used for manufacturing engines – typically titanium, aluminium and other specialized alloys.

Sub-Component Cost Percentage breakup as a percentage of PEC in an commercial aircraft, 2023



The majority of the precision manufacturing components in the aerospace & defence sector exists in North America and Europe representing the most mature markets for PEC globally. The North American market is expected the major share of 59.0% of the overall aerospace and defence segment, in 2024E. In terms of growth rates, Europe is a close second even as its relative size is 27.4% that of North America in 2024E. This is due to the presence of manufacturing plants of Boeing and Airbus and their related suppliers in North Americana and Europe, respectively.

Precision Manufactured Components for Aerospace & Defence Segment, By Geography, 2018-2028F



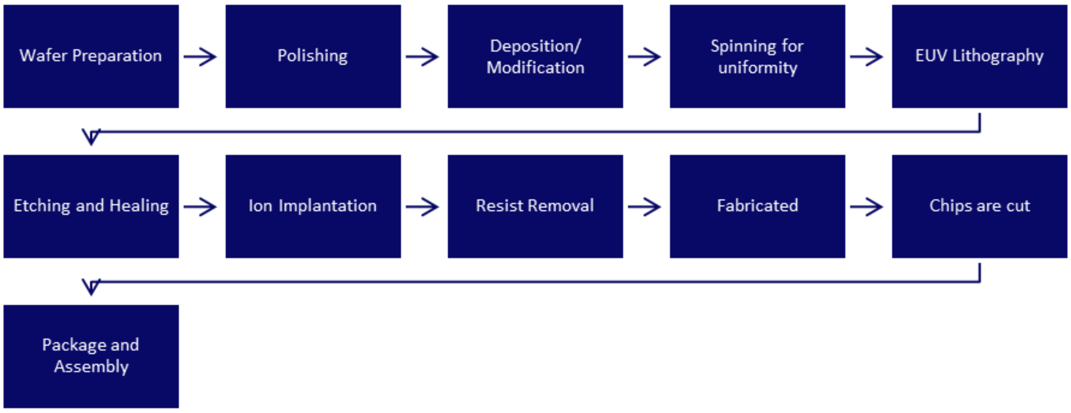
	2018	2019	2020	2021	2022	2023	2024E	2025F	2026F	2027F	2028F
North America	67.96	55.54	48.60	46.40	50.64	57.55	74.12	82.90	91.53	100.01	108.34
Europe	32.31	20.90	15.78	22.33	23.30	26.62	34.48	38.79	43.07	47.33	51.57
Asia	8.56	27.73	22.52	9.92	10.59	12.64	17.07	19.99	23.08	26.33	29.76
Total Market	108.83	104.16	86.90	78.64	84.53	96.81	125.67	141.67	157.67	173.67	189.67

The Aerospace & Defence industry is governed by companies in North America and Europe, the market is matured there with a well-developed supply chain. The companies based in countries like US, France and Germany supply majority of defence platforms to other countries. The Latin American market and the Asian market is in its growth phase driven by countries like India, China and Brazil. Most of the countries in Middle East are investing into aerospace & defence capabilities. Middle East and Africa are in their introduction phase.

SEMICONDUCTOR MANUFACTURING EQUIPMENT

The semiconductor industry is vital to modern electronics, and it is facing recent supply shortages due to surging demand and geopolitical tensions. Countries are vying for dominance in chip production, with China aiming to lessen reliance on foreign suppliers.

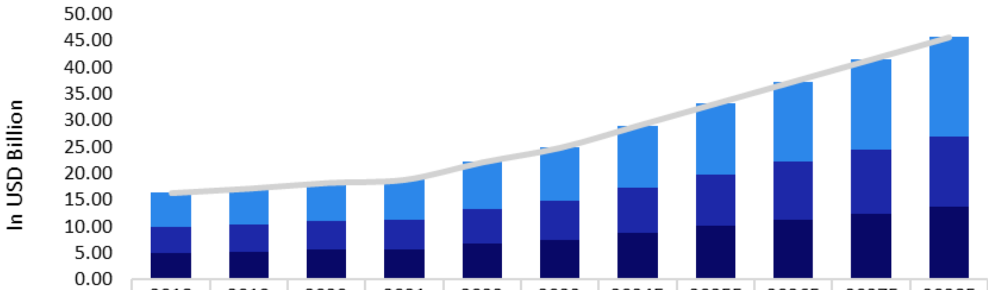
Semiconductor Segment, Manufacturing Process, 2018-2028F



Asia Pacific region is the largest chip manufacturer in the world, accounting for around 66.5% of the Global semiconductor production during the period 2024E to 2028F. Asian countries with strong capabilities in semiconductor manufacturing include Taiwan, South Korea, China and Japan. This is followed by Americas which account to around 36.1% of the overall market during in 2024E.

In semiconductor manufacturing equipment market, North America and Europe have ~ equal share in 2024E and Asia has a higher market share in this segment. Semiconductor manufacturing equipment market is estimated at USD 29.04 Billion in 2024E and is expected to grow at a CAGR of 11.99% - to USD 45.67 billion in 2028F. Asia is expected to grow at a CAGR of 12.5% and is the fastest growing region. The market size for deposition chambers in chip manufacturing equipment market is estimated at around 5%-10% of the semiconductor manufacturing equipment market.

Semiconductor Manufacturing Equipment, PEC Market, By Geography, 2018-2028F



	2018	2019	2020	2021	2022	2023	2024E	2025F	2026F	2027F	2028F
Asia Pacific	6.37	6.74	7.19	7.46	8.81	9.95	11.67	13.41	15.17	16.94	18.72
Europe	4.90	5.14	5.44	5.60	6.55	7.34	8.54	9.73	10.91	12.08	13.24
North America	5.07	5.31	5.62	5.79	6.77	7.59	8.83	10.06	11.28	12.50	13.70
Total Market	16.34	17.19	18.25	18.85	22.14	24.88	29.04	33.20	37.35	41.51	45.67

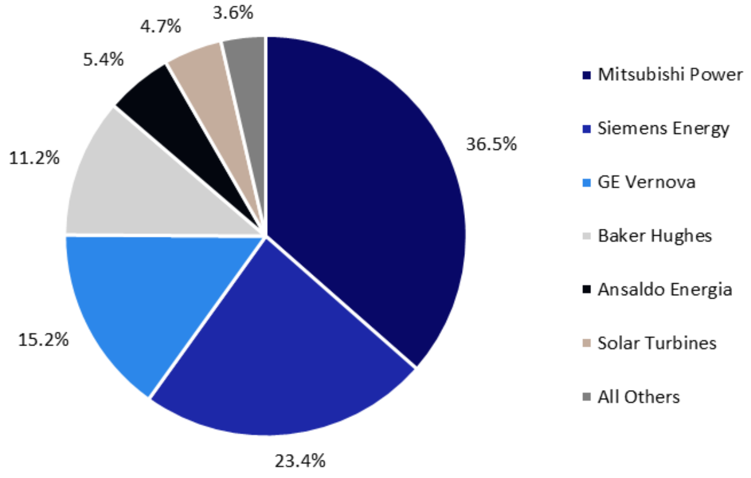
The semiconductor manufacturing equipment- precision component manufacturing market is in its maturity stage in Asia, Europe and North America. In Asia the market is driven by countries like Japan and China. India is an emerging market in the precision components for chip manufacturing industry. Europe and North America have pioneered the equipment manufacturing for Semiconductor industry, which creates an organic demand for precision manufactured components in these regions.

ENERGY & POWER EQUIPMENT (GAS TURBINE, ELECTROMECHANICAL SUB-SYSTEMS)

GAS TURBINE

The intricate manufacturing of a gas turbine engine involves a multi-stage process demanding high precision and high-quality control standard. The global gas turbine market is a vital part of the energy sector, driven by the increasing demand for efficient power generation and the global shift towards cleaner energy sources. Gas turbines are pivotal in converting natural gas or liquid fuels into mechanical energy, which is then used to generate electricity or power industrial equipment. This versatility makes them essential in various industries, including power plants (Hydro, Nuclear, Wind etc..), aviation, and oil & gas. The key players in the Gas Turbine industry are Mitsubishi Power, Siemens and GE. The market share breakdown based on MW for 2023 is shown in the figure below. The overall market for Gas Turbines is estimated at around USD 20.34 billion in 2023 and is expected to grow to USD 25.67 billion by 2028F at a CAGR of 4.65%. Majority of the market demand is estimated to be from Europe, which is expected to account to 40%, North America and China is expected to account to 40% (cumulative). The rest of the regions are expected to account to 20% of the overall market.

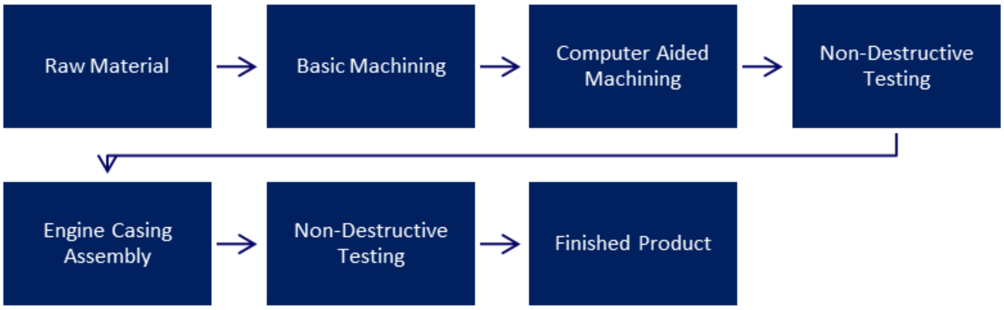
Market Share of Gas Turbine, By MW, 2023



The tooling market for Gas Turbine manufacturing is estimated at USD 0.46 Billion in 2024E and is estimated to grow to USD 0.64 billion at a CAGR of 6.85%. Firstly, specialized components like compressor blades and turbine discs are manufactured from high-temperature alloys. These components undergo computer-aided machining, ensuring precise geometries crucial for efficient airflow. Subsequently, rigorous inspections, including non-destructive testing, verify the integrity of each part. Next, the precision components are assembled within an engineered casing. Advanced welding techniques create robust yet lightweight structures. Finally, the assembled engine undergoes rigorous testing, simulating real-world operating conditions to ensure optimal performance and safety before deployment in power generation or propulsion applications.

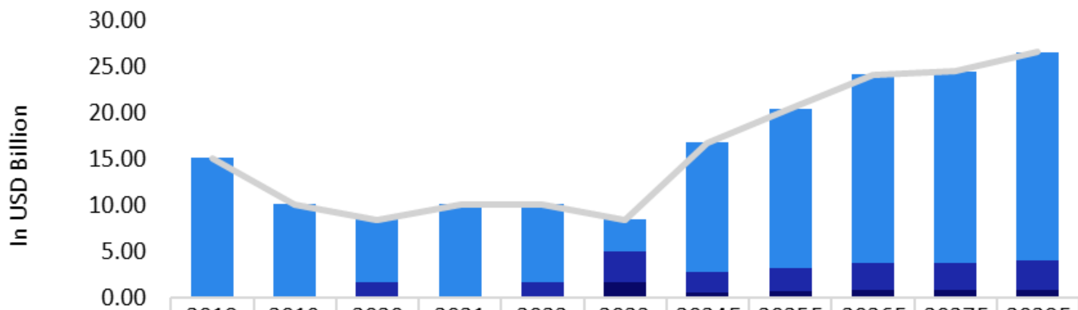
ELECTROMECHANICAL COMPONENTS in NUCLEAR POWER PLANTS

Nuclear Segment (Electromechanical Parts), Manufacturing Process, 2018-2028F



The precision manufacturing for nuclear energy plants also involves the production of high-quality, complex components that are crucial for the safe and efficient operation of nuclear power facilities. These companies utilize CNC machining, gun drilling, BTA (Boring and Trepanning Association) drilling, and 5-axis vertical machining centres, to produce components like fuel channel end fittings, liner tube assemblies, feeder pipes, reactivity adjustment mechanisms, shield plug assemblies, to name a few. The key material used are stainless steel and carbon steel. Asia Pacific is the largest market for Electromechanical components for nuclear segment accounting to 84.0% of the market during the period 2024E to 2028F.

Electromechanical Components for Nuclear Segment, By Geography, 2018-2028F



	2018	2019	2020	2021	2022	2023	2024E	2025F	2026F	2027F	2028F
Asia Pacific	15.12	10.08	6.72	10.08	8.40	3.36	14.09	17.21	20.44	20.79	22.65
Europe	0.00	0.00	1.68	0.00	1.68	3.36	2.15	2.55	2.95	2.92	3.11
North America	0.00	0.00	0.00	0.00	0.00	1.68	0.56	0.67	0.78	0.78	0.84
Total Market	15.12	10.08	8.40	10.08	10.08	8.40	16.80	20.44	24.17	24.50	26.60

The market is in a matured phase in the component manufacturing of Energy & Power equipment, which includes nuclear power equipment. The companies in North America and Europe are in their matured phase, however companies from Asian region, especially India and China are continuously enhancing their manufacturing capability. India relies on imports for certain key components and technologies to build its nuclear power plants due to limited domestic capabilities. India imports enriched uranium fuel, reactor pressure vessels, steam generators, and turbine generators from countries like Russia, France, and the United States.

COMPETITIVE ANALYSIS

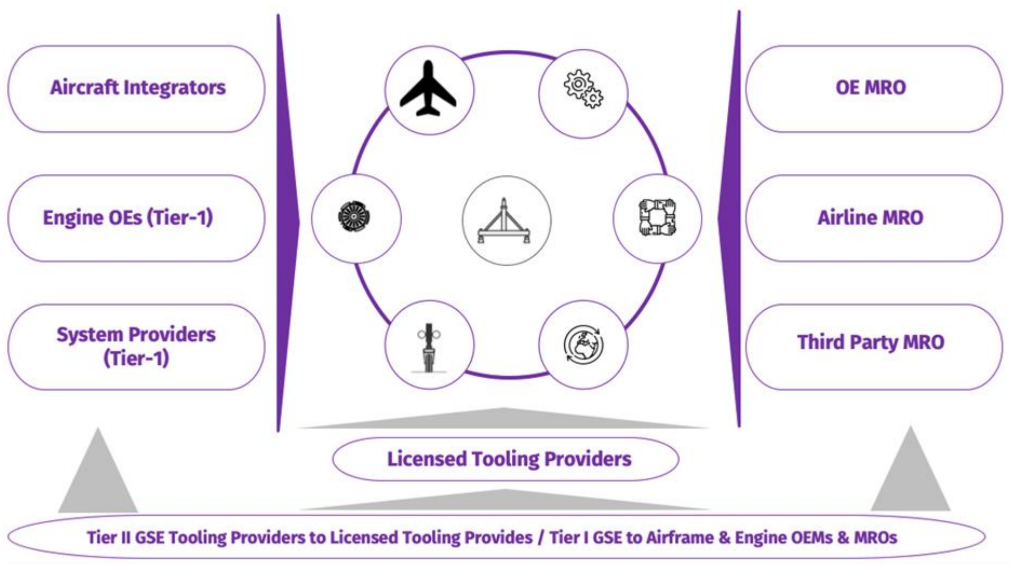
Overview of Market Structure

Aerospace & Defence GSTE

The Indian Aerospace & Defence GSTE market is driven by domestic and international demand. The low manufacturing costs offered by Indian companies is one of the key success factors when competing with global products. The aircraft integrators and Engine original equipment manufacturers use specific tools from selected companies, called licensees with multiple tooling providers across aircraft or engine programs for the same company.

The Indian Aerospace & Defence GSTE market landscape is a blend of imports and domestic players. For Example: High-tech engine stands are often sourced internationally, while simpler models are increasingly manufactured locally. The demand of the equipment is from private companies that produce aerostructures for Aircraft Integrators, MROs and Government DPSUs.

Market Structure, Aerospace & Defence GSTE Market

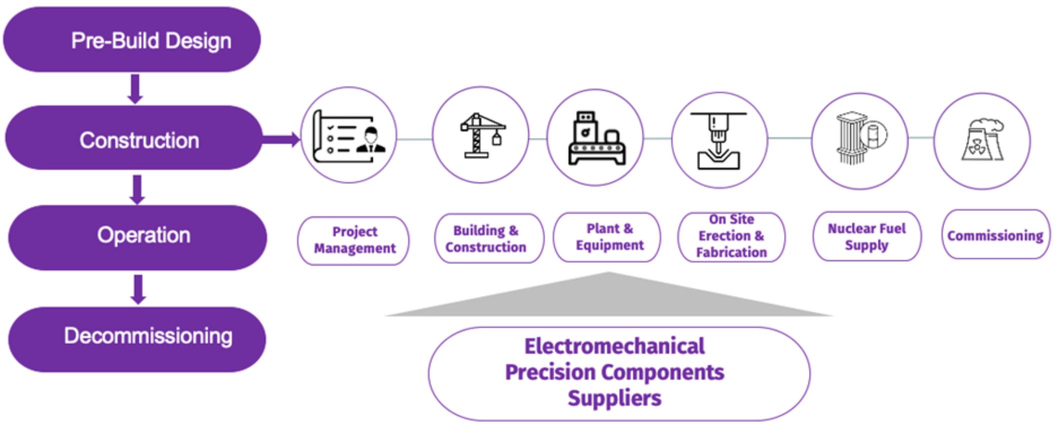


Energy and power equipment (gas turbine, electromechanical sub-systems)

Electromechanical subsystems are crucial in nuclear applications, offering precision, reliability, and safety. These subsystems integrate mechanical components with electrical controls to perform essential functions in nuclear reactors and related facilities. Key areas of application include control rod mechanisms, coolant system pumps, and valve actuators. Control rod mechanisms, vital for regulating the nuclear reaction, rely on electromechanical drives to insert or withdraw control rods, adjusting the reactor's power output.

These subsystems must endure extreme conditions such as high radiation, pressure, and temperature, demanding robust materials and precise engineering. Advanced sensors and feedback systems are integrated to monitor performance and ensure prompt response to operational anomalies. Redundancy and fail-safe features are often incorporated to enhance reliability and safety, preventing catastrophic failures.

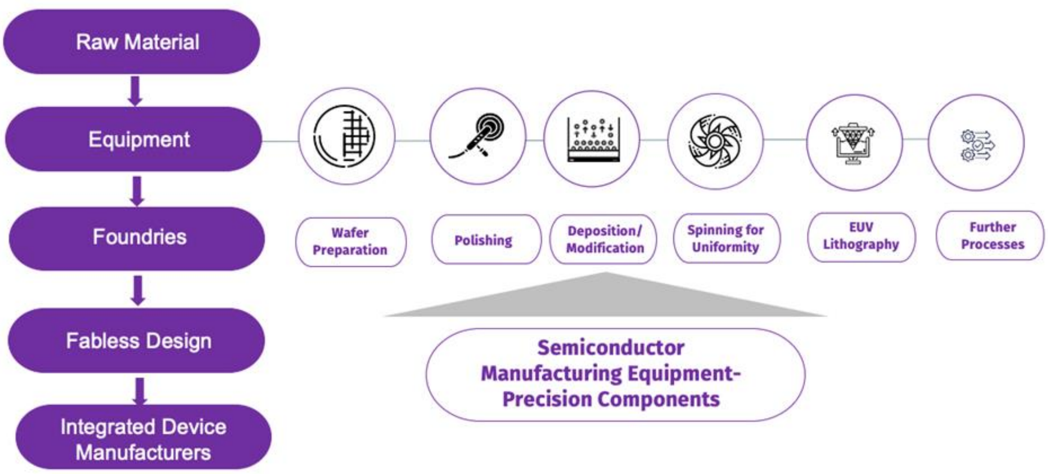
Market Structure, Electromechanical Subsystems for Nuclear Applications



Semiconductor Manufacturing Equipment

Semiconductor manufacturing equipment plays a crucial role in the production of precision components, essential for creating advanced electronic devices. These sophisticated machines facilitate various stages of semiconductor fabrication, including deposition, lithography, etching, and metrology. Precision components in this context refer to the intricate parts and assemblies required to ensure the accurate and efficient operation of semiconductor manufacturing equipment. These components are designed with exacting standards to maintain the ultra-clean environments necessary for semiconductor production, where even the smallest contaminants can affect performance. High precision is paramount in this industry, as the tolerances for semiconductor components are measured in nano meters. Equipment such as photolithography machines, chemical vapor deposition (CVD) systems, and etchers must operate with exceptional accuracy to create the fine features on semiconductor wafers.

Market Structure, Semiconductor Manufacturing Equipment



Key Players in the market

The players have been selected based on two key capabilities, (a) their precision manufacturing capability across similar industry indicated by product mix and (b) their offering in ground support tooling equipment used for manufacturing in the aerospace & defence industry, precision engineered manufacturing capability, prototyping capability and digital manufacturing.

Product Mix, Volume VS Value

	Low Volume	Medium Volume	High Volume
Low Mix			Automotive Precision Manufactured Parts
Medium Mix			Aerospace & Energy PEC
High Mix	Ground Support Tooling Equipment for Aerospace & Defence Segment	Semiconductor Machinery Equipment Market	

Following are the key players based on the above approach:

- **Azad Engineering Limited** is based in Hyderabad, Telangana. It Specializes in manufacturing high precision engineering components. The company's core manufacturing focuses on precision forging and machining in aerospace, defence, energy, and oil and gas industries. Japan, USA and France accounts to the key countries of export.

- **Dynamatic Technologies Limited** is an Indian precision engineering company based in Bangalore, India and have manufacturing facilities and subsidiaries in US, UK and Germany. The company operated in three segments namely the hydraulics, metallurgy and the aerospace and defence segment. The aerospace and defence segment accounts to nearly 33% of the overall revenue of the company. Dynamatic Technologies' clients include Airbus and Boeing, for the supply of critical components.

- **MTAR Technologies Limited**, a precision engineering company, is a renowned player in the industry, specializing in the manufacturing of mission-critical precision components. It was established in 1970, and works closely in the Indian Civilian Nuclear Power program, Indian Space program, Indian Defence, Global Defence, and Global Clean Energy sectors. The company's services include precision machining, assembly, testing, quality control, and specialized fabrication.

- **Paras Defence & Space Technologies Ltd.** is a prominent Indian company specializing in defense engineering and space technologies, with over 40 years of experience. A key player in the Make in India initiative, it focuses on designing, developing, and manufacturing a variety of defense products across four primary sectors: Defence & Space Optics, Defence Electronics, EMP Protection Solutions, and Heavy Engineering. As the only Indian manufacturer of infrared optics in large volumes, Paras Defence plays a vital role in critical defense and space programs. With advanced facilities and a strong emphasis on R&D, the company employs over 600 professionals dedicated to enhancing India's defense capabilities and national security.

- **Data Patterns (India) Limited**, founded in 1998 and headquartered in Chennai, Tamil Nadu, is a key player in the defense and aerospace electronics sector. This vertically integrated company serves the indigenous defense products industry in India and has a proven track record of delivering high-reliability products. Data Patterns is noted for its capability to execute complex programs swiftly. Its diverse portfolio includes COTS Boards, ATE and Test systems, Space Systems, and Radio Frequency and Microwave solutions, designed for rugged applications and automatic test equipment platforms. Recognized for their quick turnaround times, Data Patterns continues to uphold its reputation in the defense and aerospace electronics industry.

- **Jaivel Aerospace Private Limited** is a privately held company founded in 1998 and it specializes in aerospace manufacturing. The company offers manufacturing engineering solutions and smart tooling to provide a competitive advantage to leading manufacturing organizations

- **TechEra Engineering (India) Limited** is based in India and offers manufacturing engineering solutions and smart tooling to its clients. The company focusses in Aerospace, Medical and Energy segments. The product portfolio includes jigs, fixtures, assembly tooling, ground support equipment and maintenance, repair, and overhaul (MRO) tooling. The top three customers of the company account to 55.42% of their revenues as of 31st December 2023.

- **Jendamark India Private Limited**, a distinguished entity in the Indian manufacturing landscape, emerged in 2010 as a private limited company. It was initially known as Techcellancy Engineering Pvt Ltd, the company transitioned to its current form in 2015. The company's core offerings span a wide spectrum, including automation systems, aerospace tooling, and pallets for engine assembly, catering to the intricate needs of the automotive and aerospace industries. The company's association with the Jendamark global brand has helped the company to be a direct supplier to Original Equipment Manufacturers (OEMs) in the automotive sector

- **Jaisara Tooling Systems Private Limited**, headquartered in Hyderabad, Telangana, India, specializes in the design, manufacture, and supply of tooling solutions for the commercial aircraft sector. It is one of the tooling suppliers for aircraft engine overhaul and production, aircraft accessory tooling, and Passenger-to-Freighter (PTF) conversion tooling. Clientele of Jaisara inlcude Pratt & Whitney (USA), Air India, Indian Airlines, SNECMA (Safran Group, France), Chengdu Aerotech (China) and the engine division of Hindustan Aeronautics Limited (India).

- **Unimech Aerospace and Manufacturing Limited** is a global high precision engineering solutions company specializing in manufacturing of complex products with "build to print" and "build to specifications" offering, which involves, machining, fabrication, assembly, testing and creating new products basis the specific requirements of our clients for the aerospace, defence, energy and semi-conductor industries. Founded in 2016 and headquartered in Bangalore, India, the company has rapidly grown to become a trusted supplier to major Original Equipment Manufacturers (OEMs) and their approved licensees. It has established itself as a leading manufacturer of complex tooling, mechanical assemblies, electro-mechanical turnkey systems and precision components, widely used in the aeroengine and airframe tooling for production, MRO and line maintenance activities. Over 90% of the company's sales are exports, with the US and Europe being its largest markets. Unimech Aerospace delivers end-to-end solutions in conceptualization, design, assembly, and manufacturing of highly precise and economical engine handling and ground support equipment. Their clientele includes top aircraft global OEMs, top aero engine global OEMs and their licensees. From the Energy sector, NPCIL and other top global OEMs are their clients. Their defense clients include Brahmos and in the semi-conductor equipment manufacturing segment, the top global OEMs are their clients.

Competitive Analysis of Players

Companies which offer both GSTE and precision component manufacturing capability are expected to experience higher growth for the next ten years. The offset obligations coupled with the expected growth of aerospace & defence manufacturing is the key reason for the expected growth. Similarly, companies with a revenue mix of domestic and export clients are expected to witness higher margins. Production profiles geared towards deposition chambers, test rigs, frames, stands and other sub systems for semiconductor manufacturing, which is are expected to grow in India, driven by Atmanirbhar. The product mix also plays a major role in the profit margins, companies with complex products have limited volumes and higher profit margins. GSTE is also a segment with low volumes and higher profits.

Competitive Analysis of Key Players, FY2024

	Azad Engineering Limited	Dynamatics Technologies Limited	MTar	Paras Defence	Data Patterns	Unimech	Jaivel Aerospace Private Limited	Jendamark India Private Limited	Jaisara Tooling Systems Pvt Ltd	TechEra Engineering India Limited
Aerospace & Defense	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Energy (Including Nuclear)	✓	✓	✓	✗	✗	✓	✗	✗	✗	✗
Oil & Gas	✓	✓	✓	✗	✗	✓	✗	✗	✗	✗
Ground Support Tooling Equipment	✗	✗	✗	✗	✗	✓	✗	✓	✓	✓
Semiconductor Equipment/ Components	✗	✓	✓	✗	✗	✓	✗	✗	✗	✗
Majority of revenue from export market	✓	✗	✓	✗	✗	✓	NA	NA	NA	✓

Unimech has a portfolio that caters to the widest breadth of product coverage from A&D, Energy, Oil & Gas, PMC as well as GSTE. Azad Engineering, Dynamatic, MTAR service the A&D, Energy, Oil & Gas, Precision Manufacturing industry but do not provide any ground support equipment. Jaivel, Techera, Jendamrk, Jaisara provide A&D and PMC but not to O&G and Energy.

Product Offerings of Key Players

The product offerings of the key players are predominantly in the areas of aerospace & defence tooling and precision component manufacturing. GSTE is lucrative in terms of margins, compared to the precision component manufacturing market. This is directly linked to the expertise and the equipment required to manufacture the end product. Unimech is one of the companies which is well positioned in both Aerospace & Defence GSTE and precision component manufacturing in India catering to global OEMs and their approved licensees. The growth in fleet, which is expected to drive the aircraft MRO market and the push by the Government to set up semiconductor manufacturing facilities in India are expected to act as key drivers for Unimech and other relevant players in the next ten years. Unimech offer a unique dual capability to their customers i.e., "build to print" and "build to specification", which distinguishes Unimech from their its peers.

Product Offering of Key Players, FY2024

	Azad Engineering Limited	Dynamatics Technologies Limited	MTar	Paras Defence	Data Patterns	Unimech	Jaivel Aerospace Private Limited	Jendamark India Private Limited	Jaisara Tooling Systems Pvt Ltd	TechEra Engineering India Limited
Aircraft MRO Tools and Structure	✗	✗	✗	✗	✗	✓	✗	✓	✓	✓
Engine MRO Tools	✗	✗	✗	✗	✗	✓	✗	✓	✓	✓
Line Maintenance Tools	✗	✗	✗	✗	✗	✓	✗	✓	✓	✓
Engine Stands	✗	✗	✗	✗	✗	✓	✗	✓	✓	✓
Module Transportation	✗	✗	✗	✗	✗	✓	✗	✓	✓	✓
Precision Manufacturing Capability	✓	✓	✓	✓	✓	✓	NA	✓	✗	✓

Only four companies, namely Techera, JendaMark, Unimech and Jaisara manufacture Aircraft MRO, engine MRO, Line main, engine stands, module transportation tooling/assemblies/fabrications.

Global companies like Safran are expected to set up their MRO facilities in India, thereby driving the demand for MRO tooling equipment. Apart from Safran, the helicopter division of Airbus is expected to setup its second FAL in collaboration with TASL. The other drivers include the growth in nuclear power installations in the Energy and Power sector and the growth in procurement of precision and assembly structures from Global corporations across the World and in India across industries.

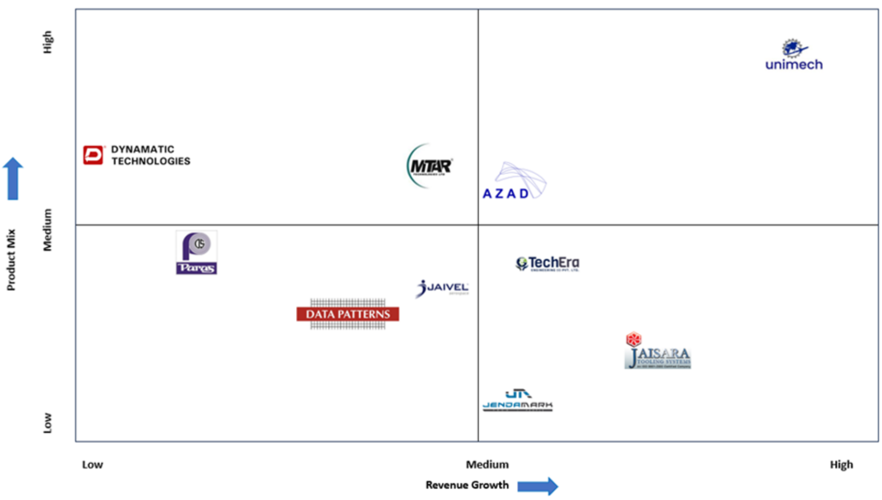
Competitive Benchmarking

The companies shortlisted for benchmarking are based on their product offerings, companies which produce precision engineered components in the sectors like Automotive, Aerospace & Defence, Electronics and Energy and Power segment.

Precision Engineered components include critical components that are manufactured with low tolerances. The electromechanical components in the nuclear power plants and the components like the deposition chamber in the semiconductor production process are examples of precision engineered component. The volumes in precision engineered component depends on the industry in which the competitor is present.

The metallic parts in the airframe and aeroengine is also precision manufactured, with high end metals. An engine cost could vary from USD 15 million to 30 million depending on its segment. The storage of these engines are done on Ground Support Tooling Equipment, which are OEM prescribed designs to store or hold engine stands. GSTE certification is a long complex process with multiple levels of design approvals by the licensees. The complexity involved in this industry helps the market participants with higher margins. The GSTE market is a low volume high margin business.

Competitive Benchmarking, FY2024



Unimech operates in precision engineering manufacturing across nuclear energy and semiconductor industry and aerospace & defence tooling manufacturing. It has the highest market growth and high product mix for the peer set considered for analysis. Apart from these, the company has also positioned itself as a prominent player in the component prototyping market. Unimech specializes in the manufacturing of complex tooling, mechanical assemblies, and precision components for various industries, including Aerospace & Defence, Energy, Space, Industrial and Semiconductor. The products and services of Unimech include Airframe and gas turbine tooling, Engine MRO, airframe MRO, and line maintenance tooling, Complex electro-mechanical assemblies and structural fabrications, Precision components and assemblies and Global manufacturing solutions. Unimech is a key link in the global supply chain for global aerospace, defence, semi-conductor and energy OEMs and their licensees for the supply of critical parts like aero tooling, ground support equipment, electro-mechanical sub-assemblies and other precision engineered components. Unimech supplies to 4 out of the 6 approved licensees, globally, who are responsible for manufacturing tooling equipment for aero engines used in narrow body and wide body civil aircrafts.

Majority of the revenues of Unimech Aerospace is from the Aero-tooling equipment segment, where the company offers ground support tooling equipment for OEMs and MROs. Unimech has established itself as an approved supplier for various industry leaders in aerospace, defence, semi-conductor and energy sectors. The tooling equipment includes airframe tooling, engine stands, engine tooling and ground support equipment to name a few. The two key drivers for Unimech Aerospace in India and the Global markets are the growth in aircraft orders and the growth in aircraft maintenance. The unique capability of Unimech to deal with complex components has helped the company gain marquee OEMs and their approved licensees as their clients. Unimech is a leading exporter of aerospace components, with exports significantly contributing to the overall revenue. Majority of the company's revenue is from export orders to regions like Europe and North America. Given the complex production process, and lengthy approval process from clients, it is difficult for a new entrant to set up the facilities for manufacturing of products supplied by Unimech. Apart from this, once the customer has on boarded a vendor fulfilling their requirements, it becomes difficult for customers to shift to another vendor, which poses a high entry barrier for competitors or potential new entrants.

Financial Benchmarking of Key Players

The revenues of the companies in the Indian Machine Tooling and Precision Components Market varies based on the scope of their offering and the industries supplied to. Companies with precision component manufacturing capabilities tend to have a higher revenue compared to companies offering only tooling solutions. Similarly, companies in aerospace & defence engine tooling will have an organic tooling offering to the energy generation sector due to the similarity in turbine offerings.

Financial Benchmarking of Key Players, FY2024

	Azad Engineering Limited	Dynamatics Technologies Limited	MTar	Paras Defence	Data Patterns	Unimech	Jaivel Aerospace Private Limited	JendaMark India Private Limited	Jaisara Tooling Systems Pvt Ltd	TechEra Engineering India Limited
Headquarters	Hyderabad	Chennai	Hyderabad	Navi Mumbai	Chennai	Bengaluru	Ahmedabad	Pune	Hyderabad	Pune
Company Type	Public	Public	Public	Public	Public	Private	Private	Private	Private	Private
Revenue from operations INR Mn)	3407.71	14293.3	5807.52	2535.00	5198	2087.75	NA	717.35	NA	NA
EBITDA	1165.88	1594.1	1,127	510.60	2216.2	791.85	NA	52.52	NA	NA
EBITDA Margin	34.2%	11.2%	19.4%	20.1%	42.6%	37.9%	NA	7.4%	NA	NA
PAT	585.8	1218.1	561.13	300.30	1817	581.34	NA	23.74	NA	NA
PAT Margins	17.2%	8.5%	9.7%	11.8%	35.0%	27.9%	NA	3.3%	NA	NA
ROCE	14.1%	8.3%	10.3%	7.4%	15.5%	54.4%	NA	6.0%	NA	NA
ROE	9.1%	18.2%	8.3%	6.8%	13.7%	53.5%	NA	6.9%	NA	NA
Working Capital Days	271	107	266	414	432	117	NA	125	NA	NA
FATR	1.44	2.32	1.84	1.57	4.02	5.16	NA	4.14	NA	NA
Key Industries	Power, Aerospace, Oil & Gas, Automobile Industries	Aerospace, Automotive, Hydraulic, Security Assemblers	Space, Nuclear, Defence, Aerospace, Marine	Defense, Space Research, Electronics	Engineering Services, Cabling, Testing, Space	Aerospace, Defense, Power generation, Semiconductor	Aerospace, Energy & Medical	Automation Aerospace	Aerospace	Aerospace, Energy & Medical

Source: Website, Annual reports

- Aerospace & defence segment is more profitable compared to automotive sector due to the stringent requirement and the high-quality standards in the industry.

- Unimech is the fastest growing company, having recorded the highest revenue growth with a CAGR of 139.7% between FY 2022 - 2024, and has achieved one of the highest EBITDA and PAT margins amongst the listed peers. Unimech has recorded the highest ROCE and ROE in FY2024 amongst the listed peers.

Comparison of Revenue from Operations of Key Players

Unimech is the fastest growing company, having has recorded the highest revenue growth in terms of CAGR between the period FY2022 and FY2024, the CAGR of Unimech is 139.7% between the above-mentioned period.

Revenue (INR million)	FY2022	FY2023	FY2024	CAGR FY2022-FY2024
AZAD Engineering Limited	1,944.67	2,516.75	3,407.71	32.4%
Dynamatic Technologies Limited	12,533.70	13,157.70	14,293.30	6.8%
MTAR Technologies Limited	3,220.06	5,737.51	5,807.52	34.3%
Unimech Aerospace & Manufacturing Limited	363.49	941.66	2,087.75	139.7%
Paras Defence	1,825.62	2,224.26	2,535.00	18.0%
Data Patterns	3108.50	4534.5	5198.00	29.0%
Jaivel Aerospace Private Limited	53.21	92.87	NA	NA
Jendamark India Private Limited	592.84	721.92	711.89	12.0%
Jaisara Tooling Systems Pvt Ltd	1.32	0.00	NA	NA
TechEra Engineering India Limited	71.78	264.34	NA	NA

Source: Website, Annual reports
Note: Information for private companies are not completely available
NM – Not Meaningful

Comparison of Export vs Domestics Sales of Key Players

The key players in this market generate their sales through domestic and export customers, domestic customers are easier to acquire due to various reasons like proximity of sale, cultural overlaps, physical presence, to name a few. However, exporting the product made in India is a complex task which needs high quality of the product and process documentation in line with the requirements of the OEMs. Companies with higher export tend to have higher margins due to the higher cost of the product in export sale. The United States holds substantial importance as a market for aerospace and precision components and assemblies, with Unimech primarily serving clients within the United States. Europe stands as the second-largest market for aerospace products, notably in the aero tooling sector. Major players in aero tooling and maintenance, repair, and overhaul (MRO) sectors maintain strong footholds in the European market.

	2022		2023		2024	
Sales	Domestic Sales	Export Sales	Domestic Sales	Export Sales	Domestic Sales	Export Sales
AZAD Engineering Limited	21.9%	78.1%	19.6%	80.4%	13.0%	87.0%
Dynamatics Technology Limited	25.5%	74.5%	23.5%	76.5%	NA	NA
MTAR Technologies Limited	37.3%	62.7%	20.0%	80.0%	NA	NA
Unimech Aerospace & Manufacturing Private Limited	8.94%	91.06%	4.80%	95.20%	2.36%	97.64%
Paras Defence	87.3%	12.7%	84.2%	15.8%	NA	NA
Data Patterns	87.9%	12.1%	84.0%	16.0%	93.8%	6.2%

Source: Website, Annual reports and Frost & Sullivan
Note: Information for private companies and few of the above companies are not completely available

Comparison of EBITDA of Key Players

The EBITDA of Unimech grew highest at 220.2% CAGR between the years FY2022 - 2024.

EBITDA (₹ Million)	FY2022	FY2023	FY2024	CAGR FY2022-FY2024
AZAD Engineering Limited	622.68	722.78	1165.88	36.8%
Dynamatic Technologies Limited	1692.3	1812.6	1594.1	-2.9%
MTAR Technologies Limited	944	1,540	1,127	9.2%
Unimech Aerospace & Manufacturing Limited	77.26	345.63	791.86	220.2%
Paras Defence	519	567	511	-0.8%
Data Patterns	1410.4	1718.1	2216.2	25.4%

EBITDA (₹ Million)	FY2022	FY2023	FY2024	CAGR FY2022-FY2024
Jaivel Aerospace Private Limited	22.55	35.03	NA	NA
Jendamark India Private Limited	62.37	73.96	52.52	NM
Jaisara Tooling Systems Pvt Ltd	-3.99	-4.95	NA	NA
TechEra Engineering India Limited	-37.66	40.90	NA	NA

Source: Website, Annual reports
Note: Information for private companies are not completely available
EBITDA= Revenue from operations -Total Expense + Finance Cost + Depreciation & Amortization
NM – Not Meaningful

Comparison of EBITDA Margins of Key Players

The EBITDA Margins of Unimech accounted to 37.9% in FY2024 which is the second highest amongst the key players.

EBITDA Margins	FY2022	FY2023	FY2024
AZAD Engineering Limited	32.0%	28.7%	34.2%
Dynamatic Technologies Limited	13.5%	13.8%	11.2%
MTAR Technologies Limited	29.3%	26.8%	19.4%
Unimech Aerospace & Manufacturing Limited	21.3%	36.7%	37.9%
Paras Defence	28.4%	25.5%	20.1%
Data Patterns	45.4%	37.9%	42.6%
Jaivel Aerospace Private Limited	42.4%	37.7%	NA
Jendamark India Private Limited	10.52%	10.2%	7.4%
Jaisara Tooling Systems Pvt Ltd	-302.3%	NA	NA
TechEra Engineering India Limited	-52.5%	15.5%	NA

Source: Website, Annual reports
Note: Information for private companies are not completely available
EBITDA Margin= EBITDA/Revenue from Operations
NM – Not Meaningful

Comparison of PAT of Key Players

Unimech has experienced the highest CAGR growth in PAT of around 314.0%, which is more than 3X times higher than its closest competitor. The PAT of Unimech grew from INR 33.92 million in FY2022 to INR 581.34 million in FY 2024.

PAT (INR Million)	FY2022	FY2023	FY2024	CAGR FY2022-FY2024
AZAD Engineering Limited	294.57	84.73	585.8	41.0%
Dynamatic Technologies Limited	320.6	427.9	1218.1	94.9%
MTAR Technologies Limited	608.74	1,040.75	561.13	-4.0%
Unimech Aerospace & Manufacturing Limited	33.92	228.13	581.34	314.0%
Paras Defence	271.00	359.00	300.30	5.3%
Data Patterns	940	1240	1817	39.0%
Jaivel Aerospace Private Limited	7.75	17.77	NA	NA
Jendamark India Private Limited	30.51	34.40	23.73	NM
Jaisara Tooling Systems Pvt Ltd	-0.08	-0.11	NA	NA
TechEra Engineering India Limited	-62.87	13.05	NA	NA

Source: Website, Annual reports and Frost & Sullivan
Note: Information for private companies are not completely available
PAT = Total Income – Total Expenses – Taxes
NM – Not Meaningful

Comparison of PAT Margins of Key Players

Unimech has experienced the second highest PAT Margin of around 27.85% in FY2024, the PAT Margin of the company was 24.2% in FY2023.

PAT Margins	FY2022	FY2023	FY2024
AZAD Engineering Limited	15.1%	3.4%	17.2%
Dynamatic Technologies Limited	2.6%	3.3%	8.5%
MTAR Technologies Limited	18.9%	18.0%	9.7%

PAT Margins	FY2022	FY2023	FY2024
Unimech Aerospace & Manufacturing Limited	9.3%	24.2%	27.85%
Paras Defence	14.8%	16.2%	11.8%
Data Patterns	30.2%	27.3%	35.0%
Jaivel Aerospace Private Limited	14.57%	19.14%	NA
Jendamark India Private Limited	5.15%	4.76%	3.33%
Jaisara Tooling Systems Pvt Ltd	-5.76%	NA	NA
TechEra Engineering India Limited	-87.59%	4.94%	NA

Source: Website, Annual reports
Note: Information for private companies are not completely available
PAT Margin= PAT/Total Sales

Comparison of ROCE of Key Players

The Return on Capital Employed (ROCE) is the highest for Unimech at 54.4% for the financial year 2024, it was also the highest for the financial year 2023 at 42.9%.

ROCE	FY2022	FY2023	FY2024
AZAD Engineering Limited	15.4%	11.0%	14.1%
Dynamatic Technologies Limited	10.0%	9.6%	8.3%
MTAR Technologies Limited	13.0%	17.7%	10.3%
Unimech Aerospace & Manufacturing Limited	10.3%	42.9%	54.4%
Paras Defence	10.1%	10.6%	7.4%
Data Patterns	23.1%	14.0%	15.5%
Jaivel Aerospace Private Limited	5.0%	11.0%	NA
Jendamark India Private Limited	13.9%	15.0%	6.04%
Jaisara Tooling Systems Pvt Ltd	-45.6%	-109.1%	NA
TechEra Engineering India Limited	-30.4%	9.1%	NA

Source: Website, Annual reports
Note: Information for private companies are not completely available
EBIT/Capital Employed
EBIT: EBITDA – Depreciation & Amortization
Capital Employed: Equity attributable to shareholders + Long term debt + short term debt

Comparison of ROE of Key Players

The Return on Equity (ROE) is the highest for Unimech at 53.5% for the financial year 2024, it was also the highest for the financial year 2023 at 46.7%.

ROE	FY2022	FY2023	FY2024
AZAD Engineering Limited	24.5%	4.2%	9.1%
Dynamatic Technologies Limited	8.4%	7.9%	18.2%
MTAR Technologies Limited	12.0%	18.0%	8.3%
Unimech Aerospace & Manufacturing Limited	12.3%	46.7%	53.5%
Paras Defence	7.2%	8.7%	6.8%
Data Patterns	16.4%	10.6%	13.7%
Jaivel Aerospace Private Limited	7.07%	13.94%	NA
Jendamark India Private Limited	10.60%	10.67%	6.86%
Jaisara Tooling Systems Pvt Ltd	0.22%	0.32%	NA
TechEra Engineering India Limited	-64.3%	11.78%	NA

Source: Website, Annual reports
Note: Information for private companies are not completely available
ROE= Net Income/Shareholder's Equity

Comparison of Working Capital Days of Key Players

The working capital days for Unimech was 117 days, which was the lowest in FY2024

Working Capital Days	FY2022	FY2023	FY2024
AZAD Engineering Limited	864	962	1028
Dynamatic Technologies Limited	84	125	140
MTAR Technologies Limited	584	436	434
Unimech Aerospace & Manufacturing Private Limited	140	275	117

Working Capital Days	FY2022	FY2023	FY2024
Paras Defence	471	484	600
Data Patterns	597	645	777
Jaivel Aerospace Private Limited	423	NA	NA
Jendamark India Private Limited	444	4	125
Jaisara Tooling Systems Pvt Ltd	NA	NA	NA
TechEra Engineering India Limited	132	91	NA

Source: Website, Annual reports
Note: Information for private companies are not completely available
Working Capital Days= Inventory days + Trade receivables days – Trade payables days
Trade Receivable days is calculated as Trade receivable outstanding at the end of the year divided by Revenue from operations for the year multiplied by 365
Trade Payable days is calculated as Trade payables outstanding at the end of the year divided by Total Purchases made for the year multiplied by 365
Inventory days is calculated as Inventory outstanding at the end of the year divided by Total Cost of Goods Sold multiplied by 365

Comparison of Fixed Asset Turnover of Key Players

The fixed asset turnover ratio of Unimech was 5.16 in FY2024, which is the highest amongst the key players.

FATR	FY2022	FY2023	FY2024
AZAD Engineering Limited	1.47	1.39	1.44
Dynamatic Technologies Limited	2.21	2.37	2.32
MTAR Technologies Limited	1.78	2.36	1.84
Unimech Aerospace & Manufacturing Private Limited	NA	3.51	5.16
Paras Defence	1.26	1.59	1.57
Data Patterns	7.89	5.81	4.02
Jaivel Aerospace Private Limited	0.24	0.43	NA
Jendamark India Private Limited	6.12	7.97	4.14
Jaisara Tooling Systems Pvt Ltd	0.75	0.00	NA
TechEra Engineering India Limited	1.07	3.23	NA

Source: Website, Annual reports
Note: Information for private companies are not completely available
Fixed Asset Turnover ratio= Revenue from Operations/Average Fixed Assets
Fixed assets: Property, plant & equipment + Right of use assets

COMPANY SPECIFIC THREATS AND CHALLENGES

Threats

- **Heavy dependency on the Aerospace Segment:** The revenues of the company heavily depend on the aerospace segment, the ongoing issues in the production of narrow body aircraft from Boeing could hamper the revenues from the sale of equipment to OEMs. However, the sale to MROs could increase due to the additional checks that might be required on specific model of aircraft from Airbus and Boeing.

- **Lack of guaranteed revenue flow:** Unlike a continuous production line, the revenue of Unimech is dependent on highly specialized work based on the client requirement. In case of a Tier 1 or Tier 2 aircraft program supplier, the revenues are guaranteed based on the delivery plan for the year. In case of Unimech, the revenue flow is PO based than program based.

- **Customer Concentration:** The segment concentration skewed towards the Aerospace segment and the customer concentration focussing on a few customers in the industry is a multi-dimensional challenge. Globally, there are limited licensees who are approved by major OEMs for supplying aero-tooling products which results into a customer concentration for the players like Unimech operating within this segment.

Challenges

- **PEC Manufacturing:** The company needs to focus on the PEC manufacturing which is a strong area for some of the companies which are used in peer comparisons. PEC manufacturing helps companies to grow exponentially due to the stronger dependency on each other at the component level. In case of PEC, the supplier is a part of the flying part or non-flying part of the value chain, which is more promising than a support equipment player.

- **Delivery Time & First Time Right:** "First time right" manufacturing is a quality control philosophy aimed at eliminating defects and reducing waste by ensuring that products are manufactured correctly the first time. In case of standardised products, it is easier to achieve “First time right”. However, in case of Unimech the products are highly customized and is a key challenge to ensure “First time right” to ensure timely delivery of the product.

OUR BUSINESS

*Unless otherwise stated, references in this section to "we", "our" or "us" (including in the context of any financial information) are to our Company and our Subsidiaries. To obtain a complete understanding of our Company and business, prospective investors should read this section in conjunction with "**Risk Factors**", "**Industry Overview**", "**Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 28, 141, 242 and 298, respectively as well as financial and other information contained in this Draft Red Herring Prospectus as a whole. Additionally, please refer to "**Definitions and Abbreviations**" on page 1 for definition of certain terms used in this section.*

*Some of the information in the following section, especially information with respect to our plans and strategies, consists of certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements. You should read the section "**Forward-Looking Statements**" on page 26 for a discussion of the risks and uncertainties related to those statements and the section "**Risk Factors**" on page 28 for a discussion of certain risks that may affect our business, financial condition, or results of operations.*

Certain names of our top 10 customers and top 10 suppliers are not mentioned in this Draft Red Herring Prospectus due to confidentiality reasons and non-receipt of consents.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Report Overview of Global Tooling & PEC Market" dated August 17, 2024 (the "**F&S Report**") prepared and issued by Frost & Sullivan (India) Private Limited, appointed by us on March 20, 2024 and exclusively commissioned and paid for by us in connection with the Offer. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

OVERVIEW

We are a global high precision engineering solutions company specializing in manufacturing of complex products with "build to print" and "build to specifications" offering, which involves machining, fabrication, assembly, testing and creating new products basis the specific requirements of our clients for the aerospace, defence, energy and semi-conductor industries. We have established ourselves as a leading manufacturer of complex tooling, mechanical assemblies, electro-mechanical turnkey systems and precision components, widely used in the aeroengine and airframe tooling for production, MRO and line maintenance activities (*Source: F&S Report*).

Our product portfolio includes, *inter alia*, engine lifting and balancing beams, assembly, disassembly and calibration tooling, ground support equipment, airframe assembly platforms, engine transportation stands, mechanical & electro-mechanical turnkey systems, and precision components. For further details, please see "***– Our Products***" on page 191.

We are a key link in the global supply chain for global aerospace, defence, semi-conductor and energy OEMs and their licensees for the supply of critical parts like aero tooling, ground support equipment, electro-mechanical sub-assemblies and other precision engineered components (*Source: F&S Report*). Our key clients include top global airframe and aero-engine OEMs and their approved licensees.

The salient features of our products are complexity and a "high-mix, low volume nature", characterized by high mix products which are not mass manufactured. We offer a wide range of products ("**SKUs**") but produce relatively small quantities of each based on specific customer requirements. Our ability to efficiently manufacture even single units of a particular SKU provides us with the flexibility to optimize pricing and maintain high profit margins. Factors such as on-time delivery and product quality significantly influence our pricing strategy. We adhere to stringent quality standards and measures as per AS9100D & BS EN ISO 9001:2015, being the industry norms for aerospace. Between Fiscals 2022 and 2024, we have manufactured 2,356 SKUs in tooling and precision complex sub-assemblies' category and 624 SKUs in the precision machined parts category, supplying to more than 26 customers across 7 countries.

Our diverse capabilities allow us to service the customers globally, which has established us as an export-oriented company with customers across USA, Germany and United Kingdom. Our product and service exports aggregated to ₹ 331.01 million, ₹ 896.45 million, and ₹ 2,038.49 million, contributing 91.06%, 95.20%, and 97.64% of our total revenue from operations for Fiscals 2022, 2023 and 2024. For further details, please see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 298.

We possess unique "build to print" capabilities, wherein we manufacture products based on client designs, and "build to specifications" capabilities, wherein we assist clients in designing the products to be manufactured basis specifications. Our orders typically begin with the receipt of purchase orders, along with designs or specifications from the customers. Upon development of the design, they are converted into 3-D models with the help of software used by our experienced engineers.

For further details, please see "***Our Strengths – Advanced manufacturing capabilities capable of delivering high precision engineering solutions***" on page 182.

We focus on timely deliveries of our products. Our systems and processes ensure efficient order fulfilment and on-time delivery. As on June 30, 2024, our order in-hand was ₹ 992.38 million, with a delivery timeline ranging between 4 to 16 weeks.

As of March 31, 2024, we had two manufacturing facilities, Unit I and Unit II, in Bangalore which is spread across an aggregate area of over 1,20,000 sq. ft. Our facility in Unit I in Peenya, Bangalore, is spread across an area of over 30,000 sq. ft. and our Unit II facility in Devanahalli is situated in a Special Economic Zone ("**SEZ**") near Bangalore International Airport which is spread across an area of over 90,000 sq. ft. Our both manufacturing facilities are accredited with AS 9001D, BS EN ISO 9001 and ISO 45001:2018.

Capabilities

As an engineering solutions provider, we offer a range of capabilities, from product conceptualization to final assembly. Our capabilities include design, engineering, manufacturing, and quality assurance, enabling us to deliver complex and customized solutions to our clients.

Our capabilities include (i) design and engineering, (ii) manufacturing, (iii) fabrication, (iv) special process, (v) electrical and electronic integration, (vi) assembly, and (vii) quality inspection. Our designs take care of designs for prototypes, designs for manufacturing and designs for serviceability using high-end design software and designing platforms. Our engineering team undertakes tech-pack creations which include (i) 2D to 3D modelling, (ii) detailing, (iii) process planning, (iv) stage drawings, and (v) inspection planning.

Our manufacturing capabilities include machining capabilities such as turning, milling, double column milling, electro discharge machining and grinding. Our assembly centre can handle up to 10 metre assemblies and diameter of up to 3 metres. Our assembly capabilities include different types of assemblies such as interference, transition fits, heli-coil assemblies, smooth sealing application, with capacities of up to 3,000 components in one assembly, along with laser tracker calibration. We have various marking techniques for assembly including laser marking, stencilling and engraving. Our testing capabilities include load testing capabilities of up to 70 tonnes and pressure testing of up to 420 bars, balancing of up to 1 gram, helium leak testing, NDT tests like ultrasonic tests, die-penetrant test, magnetic particle inspection, fluorescent penetration test and drive mechanism testing.

Our electrical and electronic integration include wire harness, control panel development, electronic component qualification and testing, electrical and electronic assembly.

Global Opportunities

We are one of the companies which is well positioned in both Aerospace and Defence GSTE and precision component manufacturing in India catering to global OEMs and their approved licensees (*Source: F&S Report*). The Asian (Asia Pacific + China) region is poised to witness the largest fleet expansion, with 11,925 aircraft slated for addition by 2042, reflecting the region's status as a global aviation powerhouse (*Source: F&S Report*). In the energy sector, there is a growing focus on renewable energy sources like solar and wind. The government is actively promoting renewable energy projects due to their cost-effectiveness and environmental benefits. In addition to this, the Government is adding capacity into the nuclear power generation sector. There are around 22 operational nuclear reactors in India and another 11 nuclear stations are expected to be commissioned with a cumulative capacity of 8,700 MW. Asian countries with strong capabilities in semiconductor manufacturing include Taiwan, South Korea, China and Japan. India is an emerging market in the precision components for chip manufacturing industry (*Source: F&S Report*).

History and Milestones

For detailed information on History and Milestones, please refer to "***History and Certain Corporate Matters***" at page 208.

Our management team offers over nine decades of collective experience, leading our Company with a deep understanding of our industry. Our Promoter-Directors have wide-ranging experience in the aerospace and tooling sector. For detailed information, please refer to "***Our Management – Brief Profile of Directors***" at page 218. We have been recognized as fastest growing aerospace Company by CEO-Magazine in 2020.

Financial and operating performance

We are the fastest growing company, having recorded the highest revenue growth with a CAGR of 139.7% between FY 2022-2024, and has achieved one of the highest EBITDA and PAT margins amongst the listed peers (*Source: F&S Report*). Our total revenue from operations were ₹ 2,087.75 million, ₹ 941.66 million and ₹ 363.49 million for Fiscal Years 2024, 2023 and 2022 respectively. Our EBITDA for the Fiscal Years 2024, 2023 and 2022 was ₹ 791.86 million, ₹ 345.63 million and ₹ 77.26 million respectively, resulting into EBITDA margins of 37.93%, 36.70% and 21.25%. Our PAT increased from ₹ 33.92 million in Fiscal Year 2022 to ₹ 228.13 million in Fiscal Year 2023 and ₹ 581.34 million in Fiscal Year 2024, translating to a PAT margin of 27.85%, 24.23% and 9.33% in Fiscal Years 2024, 2023 and 2022 respectively.

Following are the key financial metrics of our Company for the periods indicated:

Key Financial Metrics:	Financial year ended March 31, 2024	Financial year ended March 31, 2023	Financial year ended March 31, 2022
Revenue from operations *(in ₹ million)*	2,087.75	941.66	363.49
Revenue from operations growth (%)	121.71%	159.06%	-*
Gross profit *(in ₹ million)*	1,375.93	677.69	263.29
Gross Margin (%)	65.90%	71.97%	72.43%
EBITDA *(in ₹ million)*	791.86	345.63	77.26
EBITDA Margin (%)	37.93%	36.70%	21.25%
Profit after tax for the period / year *(in ₹ million)*	581.34	228.13	33.92
Profit Margin (%)	27.85%	24.23%	9.33%
Fixed Asset Turnover Ratio (Times)	5.16	3.51	-**
Return on Capital Employed (ROCE) (%)	54.36%	42.87%	10.34%
Return on Equity (%)	53.53%	46.71%	12.26%

* *Not included as the comparative period figures under IND AS for FY 2021 as on March 31, 2021 are not available*

** *Not included as the comparative period figures under IND AS for FY 2021 as on March 31, 2021 are not available which will be used for calculating the Average Fixed Assets*

Notes: Formula for ratios are as below

1. *Revenue from operations growth (year on year) means the annual growth in Revenue from operations.*
2. *Gross Profit is calculated as Revenue from operations less Cost of Goods Sold. Cost of goods sold is the sum of Cost of materials consumed, Purchases of stock-in-trade, increase/ decrease in inventories and sub-contracting cost.*
3. *Gross Margin is calculated as Gross Profit divided by Revenue from Operations.*
4. *EBITDA is calculated as restated profit before tax plus finance costs, depreciation and amortisation expense less other income.*
5. *EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.*
6. *Profit Margin is calculated as restated profit after tax for the year divided by Revenue from Operations.*
7. *Fixed Asset Turnover Ratio is calculated as Revenue from operations divided by Average Fixed Assets. Average Fixed Assets is calculated as the average of Property, plant and equipment, Intangible assets and Right-of-use assets of previous two financial years.*
8. *Return on Capital Employed is calculated as Earnings before Interest and Tax divided by the sum of Total Equity and Total Debt*
9. *Return on Equity is calculated as Profit After Tax divided by Total Equity*

OUR STRENGTHS

a) *Advanced manufacturing capabilities capable of delivering high precision engineering solutions*

We are a global high precision engineering solutions company specializing in manufacturing of complex products with "build to print" and "build to specifications" offering, which involves machining, fabrication, assembly, testing and creating new products basis the specific requirements of our clients for the aerospace, defence, energy and semi-conductor industries (*Source: F&S Report*).

We offer the following unique dual capability to our customers:

- **Build to Print –** We manufacture tools and components basis specific designs and drawings shared by our clients. We focus on tools and components which are complex in nature, and are categorized by their high mix, and low volume. Between Fiscals 2022 and 2024, we have manufactured 2,356 SKUs in tooling and precision complex sub-assemblies' category and 624 SKUs in the precision machined parts category, supplying to more than 26 customers across 7 countries.

- **Build to Specification –** We assist our clients in product designing by adhering to specifications and descriptions of their requirements. For the products we manufacture under this capability, we align with the expectations of our clients in terms of their requirement of product functionalities to deliver a satisfactory product experience to our customers.

Our manufacturing capabilities include machining capabilities such as turning, milling, double column milling, electro discharge machining and grinding. Our turning capabilities include vertical turning of up to 1.50 metres, horizontal turning up to the diameter of up to 0.7 metres and length of up to 2.00 metres and turn mill up to 200 mm. Our milling capabilities include 5 axis of diameter of up to 600 mm, 3 axis machine of length up to 1.50 metres, 4 axis of diameter up to 600 mm. Our double column milling capabilities include machining length of 3.30 metre and width of 1.60 metre. Our EDM can machine up to 0.5 metre machining. Our grinding capabilities include grinding up to 300 mm diameter. Our fabrication capabilities include engineering fabrication of up to 2.0 metres and structural fabrication of up to 6 metres with AWS and ASME certified welders and processes. Our special process capability includes painting, polymer based coatings, NADCAP certified process including heat treatment and anodizing, through third party vendors.

Our assembly centre can handle up to 10 metre assemblies and diameter of up to 3 metres. Our assembly capabilities include different types of assemblies such as interference, transition fits, heli-coil assemblies, smooth sealing application, with capacities of up to 3,000 components in one assembly, along with laser tracker calibration. We have various marking techniques for assembly including laser marking, stencilling, engraving. Our testing capabilities include load testing capabilities of up to 70 tonnes and pressure testing of up to 420 bars, balancing of up to 1 gram, helium leak testing, NDT tests like ultrasonic tests, die-penetrant test, magnetic particle inspection, fluorescent penetration test and drive mechanism testing.

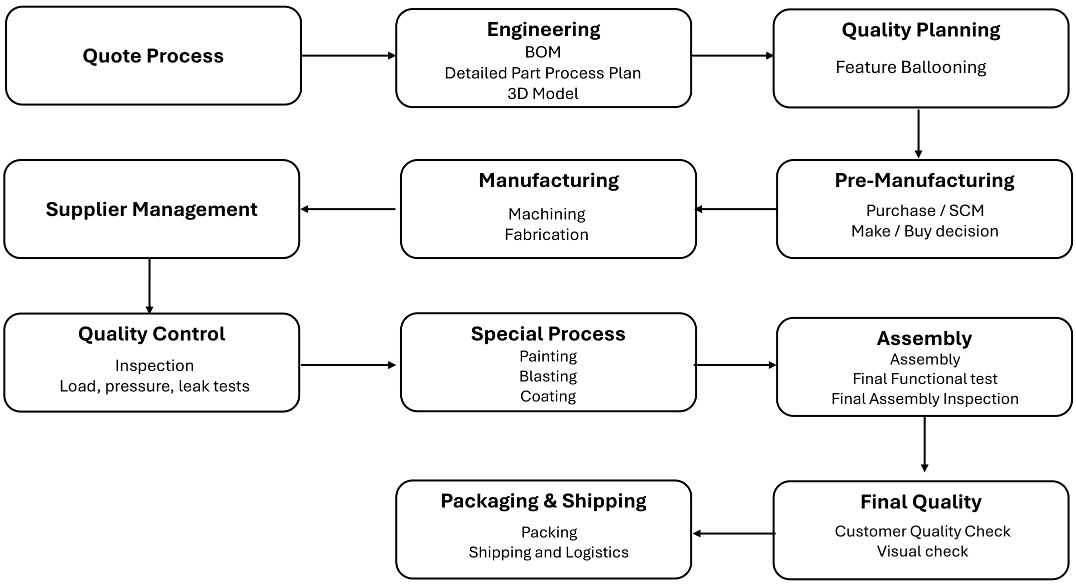
Our engineering expertise and technology driven manufacturing processes have enabled us to deliver our products to our customers in accordance with their designs and specifications, in a cost-effective manner without compromising on quality. We strive to strengthen our engineering expertise by providing in-house training to our workforce, in order to diversify and update their skill sets and keep them updated with the latest changes in manufacturing technologies and processes.

As of March 31, 2024, we have two manufacturing facilities, Unit I and Unit II, in Bangalore which is spread across an aggregate area of over 1,20,000 sq. ft. and have a combined annual installed capacity of 2,22,990 hours per annum, annual actual production of 2,09,462.49 hours per annum and capacity utilization of 93.93% per annum. We propose to fund capital expenditure requirements of our Company through the Net Proceeds towards the purchase of equipment for our existing manufacturing facilities. For details see "***Objects of the Offer***" on page 101.

Our in-house manufacturing capabilities, processing knowledge and our network of vendors enables us to provide end-to-end solutions for all products manufactured by us. Further, the benefit of providing such end-to-end solutions under one roof enables us to provide value added offerings, and increases our operational efficiency, resource optimization, and customer retention.

b) ***Digital-first manufacturing company with a robust infrastructure facilitating seamless integration of operations***

We deploy a range of digital manufacturing systems which integrates the complete process from order origination to order delivery. Our digital manufacturing system captures all inspection requirements and measurements underpinning our commitment to the high standards of quality. We developed an in-house ERP system which plans and tracks every step of the product manufacturing process, from inception to completion, including the movement of all components to external vendors, thereby assisting in timely delivery of our products. Set out below is a representation of our digital manufacturing system:



Our Company leverages digital manufacturing systems to streamline operations, ensure high-quality output, and deliver projects on time. This approach involves various steps, integrating digital tools and processes to enhance efficiency and precision. The digital manufacturing journey begins with the quotation process. This initial step sets the stage for accurate project planning and resource allocation. Once a quote is approved, the engineering team creates a Bill of Materials ("**BOM**") and a detailed part process plan. Using market standard software, our engineers design 3D models of the components. These models serve as the foundation for all subsequent manufacturing steps, ensuring precision and consistency throughout the production cycle.

In the pre-manufacturing phase, decisions are made regarding which components will be manufactured in-house and which will be sourced from suppliers. Our proprietary ERP system plays a vital role in managing the supply chain, tracking procurement, and ensuring timely delivery of materials. This system integrates all aspects of purchase and supply chain management, providing real-time updates and enhancing coordination across departments. The manufacturing phase encompasses machining and fabrication. Using software, CNC programs are also generated automatically, facilitating precise and efficient machining operations. Supplier management is integrated into the digital manufacturing process. The ERP system tracks all manufacturing operations within the vendor network, ensuring transparency and real-time monitoring of supplier performance. This digital tracking mechanism helps maintain high standards of quality, traceability and timely delivery of outsourced components. Quality planning is integral to our manufacturing process. We employ manufacturing ballooning software to annotate 2D drawings or PDF files with critical measurement points and inspection criteria. This process, known as feature ballooning, ensures that all specifications are clearly defined and easily accessible for quality control inspections.

From initial quotation to final assembly and inspection, every step is meticulously planned and executed using software and technologies. This holistic approach ensures high-quality output, efficient operations, and timely delivery of projects, making us an established supplier for various industry leaders in the aerospace, defence, semiconductor, and energy sectors.

c) ***Established player with unique capabilities in a sector with high barriers to entry***

We manufacture complex tooling, mechanical assemblies, electro-mechanical turnkey systems, and precision components. Our varied product offerings and continuous product development efforts have enabled us to cater to multiple industries and customers, enhancing our ability to attract new customers. Between Fiscals 2022 and 2024, we have manufactured 2,356 SKUs in tooling and precision complex sub-assemblies' category and 624 SKUs in the precision machined parts category, supplying to more than 26 customers across 7 countries. We supply an array of products including engine lifting, balancing beams, ground support equipment, airframe assembly platforms, complex electromechanical assemblies, engine transportation stands etc. which are of high mix, and are highly complex and of low volume in nature. We adhere to stringent quality standards and measures for our products as per AS9100D & BS EN ISO 9001:2015, being the industry norms for aerospace.

Given the complex production process, and lengthy approval process from clients, it is difficult for a new entrant to set up the facilities for manufacturing of products supplied by our Company (*Source: F&S Report*). For further details on process of onboarding a customer please refer "***– Process of Onboarding a Customer***" on page 197. Apart from this, once the customer has on boarded a vendor fulfilling their requirements, it becomes difficult for customers to shift to another vendor, which poses a high entry barrier for competitors or potential new entrants (*Source: F&S Report*). Establishing relationships with original equipment manufacturers (OEMs) and on boarding them is a time-consuming process, often taking several years. Winning bids requires technical expertise, competitive pricing, and adherence to stringent quality and delivery standards. Scaling operations in our high-mix, low-volume manufacturing environment is complex and demands a skilled workforce, robust infrastructure, and consistent execution. Maintaining this balance while ensuring high quality is a significant hurdle for new entrants. We have established ourselves as an approved supplier for various industry leaders in aerospace, defence, semi-conductor and energy sectors.

Further, over the last three Fiscal Years, our SKUs have increased from 932 to 1,231 to 1,371 in Fiscals 2022, 2023 and 2024 respectively. This growth is a testament to our ability to meet the evolving needs of our customers. We have a potential to further evolve our facilities to cater to all the specific and changing needs and requirements of the customers with respect to the products we make and for the industry we supply products to, allowing us to provide customized and tailored solutions. Getting it right the first time is crucial to maintaining our reputation for excellence and reliability in high-mix, low-volume manufacturing. It minimizes costly rework and delays, ensuring timely delivery to our clients. This right first time on precision manufacturing improves lead time and operational efficiency.

d) ***Export driven player with a global delivery service model***

We are a leading exporter of aerospace components, with exports significantly contributing to our overall revenue (*Source: F&S Report)*. Over 90% of our sales come from export to global OEMs and their licensees. Our revenue from sales to global customers were 2,038.49 million, 896.45 million, and 331.01 million for Fiscal Years 2024, 2023 and 2022 respectively. We cater to a diverse range of clientele spanning across both domestic and international markets. Our global customer base is spread across USA, Germany and United Kingdom. Below are the details of our revenue from operations across various geographic regions and as a percentage of our total revenue for Fiscals 2024, 2023 and 2022:

(₹ million)

Geography	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations
With in India	49.26	2.36	45.21	4.80	32.48	8.94
Outside India	2,038.49	97.64	896.45	95.20	331.01	91.06

Below are the details of our revenue from operations by geographical spread for Fiscals 2024, 2023 and 2022:

(₹ million)

Geography	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations
India	49.26	2.36	45.21	4.80	32.48	8.93
United States	1,924.57	92.19	724.18	76.91	277.64	76.38
Germany	113.41	5.43	172.18	18.28	51.50	14.17
United Kingdom	Nil	Nil	Nil	Nil	0.91	0.25
Others	0.50	0.02	0.09	0.01	0.96	0.27
Total	**2087.75**	**100.00**	**941.66**	**100.00**	**363.49**	**100.00**

Below are the details of our revenue from operations from our top customers for Fiscals 2024, 2023 and 2022:

(₹ million)

Customers	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations
Customer 1	1,248.87	59.82%	559.84	59.45%	161.66	44.47%
Customer 2	605.26	28.99%	107.40	11.41%	45.64	12.55%
Customer 3	110.19	5.28%	25.87	2.75%	36.09	9.93%
Customer 4	44.74	2.14%	173.02	18.37%	54.95	15.12%

Note: The list of top customers has been derived based on the revenue from operations generated by top 4 customers in Fiscal 2024

* *Our top 10 customers include HYDRO Systems GmbH & Co. Kg, Nuclear Power Corporation of India Limited and Rhinestahl Corporation. These customers may not be our top 10 customers in each of the above Fiscals and the disclosure of names has only been made for such customers who have consented to being named. Remaining names from our top 10 customers are not mentioned in this Draft Red Herring Prospectus due to confidentiality reasons and non-receipt of consents. Also see, '**Risk Factors – We are dependent on our top 10 customers who contribute more than 95% of our total revenue from operations in each of the last three Fiscals and the loss of any of these customers or a significant reduction in purchases by any of them could adversely affect our business, results of operations and financial condition.**'*

We have a global delivery service model for supplying products to our customers, which includes logistical support and direct export to various companies including USA and Germany. By coordinating closely with customers, utilizing logistics software for route optimization, and selecting the reliable carriers, we ensure timely and cost-effective delivery of products. The above factors help us retain our existing customers, and also generate interest for new customers.

e) *Robust vendor ecosystem and strong sub-contractor management with proven execution capabilities*

Our vendor ecosystem consisted of 44 vendors with 100 machines in total as of March 31, 2024, each selected to meet our quality and performance criteria. This diverse network is essential for providing the flexibility needed in our high-mix, low-volume production environment.

We have established a sub-contractor ecosystem with vendors who undertake aspects of our manufacturing process with limited complexity, enabling us to concentrate on critical aspects of the manufacturing process. We have a well-defined arrangement with the sub-contractors, guiding the selection, on-boarding, training, and growth of our sub-contractors. Our selection process evaluates potential sub-contractors based on their technical capabilities, quality standards, and reliability. Once selected, sub-contractors undergo a comprehensive on-boarding program, which includes training on our processes, quality requirements, and safety standards, fully equipping them to meet our high expectations. Our team of over 20 supply chain management employees plays a crucial role in this process, managing, training, and fostering the growth of our sub-contractors.

Certain of these sub-contractors work exclusively with us and operate from within our facility at Unit I in Peenya, Bangalore, providing us with an oversight over their manufacturing processes, facilitating regular inspections, and ensuring quality control. By distributing our needs across a wide range of suppliers, we ensure that we can quickly adapt to changes in demand and avoid bottlenecks in our supply chain. This allows us to scale up production rapidly when needed and the diversity of our vendor base also mitigates risk, ensuring that issues with one supplier do not significantly impact our overall operations.

We have the following two categories of vendor arrangements:

1. **In-house vendors**

   We employ a collaborative manufacturing approach with sub-contractors who work directly on our factory premises. These sub-contractors run the machinery and produce the output under our direct supervision, ensuring integration and adherence to our quality standards. This model allows us to maintain direct control over the manufacturing process. By fostering close, long-term relationships with these sub-contractors, we ensure they are deeply aligned with our operational goals and quality expectations, resulting in superior product quality and timely delivery.

2. **Sub-contractors**

   Sub-contractors primarily handle machining and special processes, with decisions on which aspects of the manufacturing process to sub-contract being strategically made based on the complexity and criticality of the tasks. Most sub-contractors are assigned non-critical machining tasks, allowing us to focus on our core competencies and optimize in-house capacities.

(₹ million)

Sub-contracting	Fiscal 2024	Fiscal 2023	Fiscal 2022
Sub-contracting expenses	269.14	74.13	28.89
% contribution from Sub-contractors to Cost of Goods Sold	37.81%	28.08%	28.83%

f) ***Experienced and complementary management team with strong implementation skills and operational effectiveness***

We are led by a qualified and experienced management team who are supported by a motivated and hard-working team of engineers and other members. Our Promoters, Anil P, Mani P, Ramakrishna Kamojhala, Preetham S V and Rajanikanth Balaraman have total experience of over 90 years and are involved in engineering design, manufacturing, product planning, technology, corporate finance, quality control and operations management. Our Promoters are supported by a qualified and experienced team of 164 engineers, which focuses on process innovation and automation, and design and implementation, which consequently helps us to maintain and indigenously develop our technological prowess and manufacturing processes. Our Promotors have worked with organisations such as Quality Engineering & Software Technologies Private Limited, Robert Bosch India Limited, Wipro Limited and Goodrich Aerospace Services Private Limited amongst others.

Under the leadership of our Promoters, we have been able to expand our operations and have established a significant presence in India and globally. Our leadership team's knowledge and experience in this sector enables us to have consistent innovation in our approach and offerings. We rely on our leadership and management team's guidance to provide us with a competitive advantage as we seek to grow our business. Our management also includes an experienced team of professionals across senior and mid-level management. We continuously strengthen our engineering capabilities by providing in-house training to our workforce to diversify their skillsets and keep them updated with the latest changes in manufacturing technologies and processes. In addition, the commitment of our workforce at the entry level has allowed us to ensure operational efficiency in our business. For further information, see '***Our Management***' on page 215.

g) ***Track record of strong financial performance***

Our Company is the fastest growing company, having recorded the highest revenue growth in terms of CAGR between the period FY2022 and FY2024, the CAGR of our Company is 139.7% between the above-mentioned period (*Source: F&S Report*). Our total revenue from operations were ₹ 2,087.75 million, ₹ 941.66 million and ₹ 363.49 million for Fiscal Years 2024, 2023 and 2022 respectively. Our EBITDA for the Fiscal Years 2024, 2023 and 2022 was ₹ 791.86 million, ₹ 345.63 million and ₹ 77.26 million respectively, resulting into EBITDA margins of 37.93%, 36.70% and 21.25%. Our PAT increased from ₹ 33.92 million in Fiscal Year 2022 to ₹ 228.13 million in Fiscal Year 2023 and ₹ 581.34 million in Fiscal Year 2024, translating to a PAT margin of 9.33%, 24.23% and 27.85% in Fiscal Years 2022, 2023 and 2024 respectively. Our Company had experienced the second highest PAT Margin of around 27.9% in FY2024, the PAT Margin of the company was 24.2% in FY2023 (*Source: F&S Report*).

Below is a revenue breakup from various industries for the Fiscal Years 2024, 2023 and 2022:

(₹ million)

Segment	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue	% of total revenue from operations	Revenue	% of total revenue from operations	Revenue	% of total revenue from operations
Aero-tooling	2,074.12	99.35%	891.79	94.70%	348.38	95.84%
Precision components & others	13.63	0.65%	49.87	5.30%	15.11	4.16%

For additional details on our financial performance, see "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" on page 298.

KEY STRATEGIES

1. Market Development: Enhancing our global footprint in strategic regions, thereby enriching the customer experience for our existing clientele and expanding our reach to new markets

We are a key link in the global supply chain for global aerospace, defence, semiconductor, and energy OEMs and their licensees for the supply of critical parts like aero tooling, ground support equipment, electro-mechanical sub-assemblies and other precision-engineered components *(Source: F&S Report)*. With over 90% of our sales derived from exports to global OEMs and their licensees, our revenue for Fiscal Years 2024, 2023, and 2022 was ₹ 2,038.49 million, ₹ 896.45 million, and ₹ 331.01 million, respectively. Our extensive experience, established product portfolio, and proven execution capabilities position us well for expansion into key geographies with an established client base.

The United States holds substantial importance as a market for aerospace and precision components and assemblies, with Unimech primarily serving clients within the United States (*Source: F&S Report*). Currently, we serve numerous clients within the USA, highlighting the strategic necessity of establishing closer proximity to ensure efficient product delivery, reduced costs, improve customer experience for existing clientele and the attraction of new clients. As part of our strategic plan to expand our market reach and enhance service delivery, we aim to establish a significant manufacturing footprint in the USA. Our current operations face challenges related to high lead times due to geographical distance and lack of direct access to the US market. To overcome these obstacles and better serve our customers, we are exploring two primary approaches: establishing tooling inventory and warehousing in the USA and setting up a manufacturing presence either through acquisition or organic growth.

By setting up tooling inventory and warehousing facilities in the USA, we can significantly reduce lead times and improve our responsiveness to customer demands. This strategic move will allow us to maintain a readily available stock of essential tools and components, ensuring that production processes are not delayed due to logistical challenges. With local warehousing, we can provide faster and more reliable delivery services to our US-based customers, enhancing their overall experience and satisfaction.

Establishing a manufacturing footprint in the USA can be achieved through two methods: acquisition or organic growth. Acquiring an existing facility provides immediate access to established infrastructure, a skilled workforce, and local market knowledge, enabling us to integrate into the US manufacturing landscape quickly. Alternatively, building our own facility from the ground up, while more time-consuming, allows us to design a facility tailored to our specific needs and standards, implementing the latest technologies and processes from the outset. Both approaches ensure we have the necessary infrastructure and market access to serve our US customers efficiently and effectively.

Europe stands as the second-largest market for aerospace products, notably in the aero tooling sector (*Source: F&S Report*). Major players in aero tooling and maintenance, repair, and overhaul (MRO) sectors maintain strong footholds in the European market (*Source: F&S Report*). Our approach emphasizes product innovation, process refinement, and customized engineering solutions to meet the diverse requirements of our clientele across various geographies. By expanding our presence in international markets, we aim to cater to the growing demand of our existing customers, offer distinctive products and value-added services, and onboard new customers from key markets. Expanding our operations globally enhances our ability to serve customers more effectively, reduce lead times, access new markets, and meet specific customer requirements. We recognize the immense growth prospects in the aerospace, defence, and energy sectors and believe we are well-positioned to seize emerging opportunities. By implementing our market development strategy, including establishing a manufacturing presence in the USA and expanding our reach in Europe, we are poised to enhance our global footprint, deliver superior products and services, and drive significant business growth.

2. Market Penetration: Capturing a higher market share and increase in wallet shares from customers

Our company is a key player in the aerospace, defence, semiconductor, and energy sectors. Key growth drivers of these relevant industries include the following:

a) **Growth in MRO markets:** The MRO market is matured in regions like North America and Europe. The increase in demand for MRO in APAC is driven by an increase in the aircraft fleet. The high growth in Asian markets like India and China can be attributed to increase in travel, which in turn increased the demand for air travel. The Asian region accounts to around 33% of the global fleet. These aircraft average at around 11.6 years and the need for MRO of these aircrafts open new market opportunities for MRO suppliers in Asia. There are no international engine MRO players in India, however with the growth of fleet, major engine manufacturers like SAFRAN are setting up their engine MRO facilities in India (*Source: F&S Report*).

b) **Growth in Aircraft fleet across all key regions:** With its vast expanse and diverse economies, the Americas host a wide array of airlines catering to domestic and international routes. The robust fleet size underscores the region's demand for air transportation services. In the Americas, 4,545 aircrafts are slated to be added to the fleet, reflecting sustained demand for air travel in the region by 2040. Eurasia attracts millions of passengers annually, driving demand for commercial aviation services and contributing to the region's sizable fleet size. Eurasia is set to see the addition of 4,720 aircrafts, driven by economic recovery and increasing passenger volumes by 2040. The Asian (Asia Pacific +China) region is poised to witness the largest fleet expansion, with 11,925 aircraft slated for addition by 2042, reflecting the region's status as a global aviation powerhouse (*Source: F&S Report*).

c) **Semi-conductor & Nuclear energy:** The Asia Pacific region is the largest chip manufacturer in the world, accounting for around 66.5% of the Global semiconductor production during the period 2024E to 2028F. India is an emerging market in the precision components for chip manufacturing industry. The Government of India is adding capacity into the nuclear power generation sector. There are around 22 operational nuclear reactors in India and another 11 nuclear stations are expected to be commissioned with a cumulative capacity of 8,700 MW (*Source: F&S Report*).

One of the drivers of our market penetration strategy is the establishment of local MROs in India. This approach will allow us to increase our operational efficiency and capture a larger share of the market by providing timely and localized support. MRO services encompass a wide range of activities, including scheduled maintenance checks, unscheduled repairs, component replacement, and overhaul services. The engine MRO market is expected to grow at a CAGR of 4.5% and is the fastest growing market (*Source: F&S Report*). The increase in fleet numbers and entry of new airlines are expected to be the key drivers in the Indian MRO market (*Source: F&S Report*). By partnering with OEMs who are setting up local MRO facilities, we can offer tooling for repair and aftermarket services of products manufactured by us since we are closer to the end-users. This will reduce transportation costs and lead times, making our services more appealing to customers. The local presence will also allow us to better understand and respond to regional market needs.

There are no international engine MRO players in India, however with the growth of fleet, major engine manufacturers like SAFRAN are setting up their engine MRO facilities in India (*Source: F&S Report*). This is a huge opportunity for the companies in the GSE & MRO tooling market. There are no other licensees in the Asia Pacific region creating a larger market opportunities to the GSE tooling companies in India (*Source: F&S Report*). Tapping this gap in the market, the establishment of local MROs will enable us to expand our service offerings, including comprehensive repair solutions, parts replacement, and technical support. This diversification will strengthen our value proposition and help capture additional wallet share from existing customers. Proximity to MROs will also facilitate market expansion by enabling us to enter new geographic regions more effectively. By building relationships with local MRO providers, we can tap into new markets and establish a stronger presence.

An integral part of our market penetration strategy involves demonstrating our capabilities and increasing the range of SKUs we offer. Between Fiscals 2022 and 2024, we have manufactured 2,356 SKUs in tooling and precision complex sub-assemblies' category and 624 SKUs in the precision machined parts category, supplying to more than 26 customers across 7 countries. This approach to increase the SKUs will not only enhance our market presence but also drive growth by meeting evolving customer demands. By showcasing our technical capabilities and innovative solutions, we can differentiate ourselves from competitors and attract new customers. This includes highlighting our advanced manufacturing processes, unique capabilities of build to print & build to specification, quality control measures, and successful project implementations. We have experienced significant growth in the number of SKUs offered over the last three Fiscal Years, with expansions across various engine types and product categories. Over the last three Fiscal Years, our SKUs have increased from 932 to 1,231 to 1,371 in Fiscals 2022, 2023 and 2024 respectively. This expansion will allow us to serve a wider range of customer needs and strengthen our position in the market.

3. Capacity Expansion Strategies: Increasing manufacturing capacity and collaborative manufacturing with global and local manufacturers for growth

As of March 31, 2024, we had two manufacturing facilities, Unit I and Unit II, in Bangalore which is spread across an aggregate area of over 1,20,000 sq. ft. Our facility in Unit I in Peenya, Bangalore, is spread across an area of over 30,000 sq. ft. and our Unit II facility in Devanahalli is situated in a Special Economic Zone ("**SEZ**") near Bangalore International Airport which is spread across an area of over 90,000 sq. ft. The overall capacity and capacity utilization of our Company and our Subsidiaries has grown considerably over the last three Fiscal Years. For further details on our manufacturing facilities and capacities, see ***"Our Business – Installed Capacity and Capacity Utilization***" on page 197. We are in process of further expanding our existing Unit II facility in Bangalore by increasing production capacity to meet the growing demand from our existing customers.

In addition, we have an upcoming collaborative manufacturing and technology park ("**Tech Park**") in the pipeline at Karnataka Industrial Area Development Board ("**KIADB**") general industrial area spread across an area of 4 acres of land. This new facility is designed to significantly enhance our capabilities and capacities while upholding the quality standards required by large OEMs and licensees, as well as attracting new customers. One of our key objectives for the Tech Park is to foster collaboration by inviting partners to utilize our factory space. These collaborative partners will be selected based on their technical capabilities and willingness to invest in the necessary machinery. This initiative will enable us to expand our production capacity, efficiently fulfil orders, and leverage the capabilities of our partners to meet diverse customer needs.

Our growth strategy also rests on forming strategic alliances with both global and local manufacturers to enhance our manufacturing capabilities and expand our market presence. Partnering with global leaders provides access to advanced technologies and industry insights, enabling us to integrate technological solutions into our operations and reach a broader customer base. These collaborations are crucial for driving innovation and staying competitive in a rapidly evolving market. Concurrently, local partnerships are essential for understanding regional market needs, optimizing supply chains, and ensuring efficient delivery of products, while addressing local regulatory requirements and customer preferences.

We are pursuing collaborative opportunities abroad to bolster our market position. We are currently in discussions with potential partners in the region to establish joint ventures and strategic alliances. These partnerships will leverage local manufacturing expertise and infrastructure, facilitating faster market entry and enhancing our ability to serve European customers effectively. By engaging with both global and local manufacturers, we aim to build a supply chain, diversify our product offerings, and capture new market opportunities, ensuring that we continue to deliver high-quality products and drive growth.

4. ***Diversification: Focus on growth by opportunistic inorganic acquisitions and partnerships with customers***

Our strategic focus on advancing along the value chain has been central to enhancing our manufacturing capabilities and processes. By prioritizing complexity and specialization, we have established ourselves as a provider of intricate precision components for our clients. Our ongoing evolution in design and engineering capabilities positions us to further diversify our product portfolio and deliver high-margin, complex components to a global customer base.

To drive this growth, we are particularly concentrating on inorganic acquisition strategies, with a notable emphasis on opportunities in the USA market. Strategic acquisitions in the USA will offer substantial benefits, including access to advanced technologies and specialized expertise essential for producing high-precision components. Integrating established manufacturing entities will enhance our technological capabilities, allowing us to stay at the forefront of industry advancements. Moreover, these acquisitions will facilitate our expansion into new product categories, broadening our offerings and enabling us to meet the diverse needs of global customers.

Additionally, acquiring well-established facilities will increase our production capacity and efficiency, which is critical for sectors such as semiconductor manufacturing equipment, medical devices, and robotics where precision and scale are paramount. This approach will also strengthen our market presence in the USA, allowing us to build stronger relationships with local OEMs and licensees, thereby expanding our customer base and increasing our market share.

We have raised ₹ 2,500 million and allotted 3,667,090 Equity Shares on July 24, 2024 by way of a private placement to ValueQuest SCALE Fund (a scheme of ValueQuest Alternate Investment Trust), Evolvence India Fund IV Ltd and Steadview Capital Mauritius Limited for the purpose of investing in inorganic opportunities. Our Company, by way of its board resolution dated August 19, 2024, has resolved to utilize the net proceeds towards inorganic growth including by way of mergers, acquisitions, entering into joint venture or other modes of strategic investment. We are constantly evaluating such opportunities globally within aerospace and other industries specifically focused on manufacturing of precision engineered components.

Inorganic growth through acquisitions will enable us to enter new markets and segments swiftly, bypassing the long lead times associated with building new facilities from the ground up. By leveraging these opportunities, we can rapidly respond to customer demands and capture emerging opportunities. Our commitment to pursuing strategic alliances and acquisitions, particularly in the dynamic USA market, will enhance our process capabilities and skillsets, diversify our product offerings, and expand our customer base, solidifying our position as a leader in precision manufacturing.

By collaborating with local manufacturers abroad, we aim to accelerate market entry, enhance our product offerings, and build a supply chain. These strategic alliances will leverage local expertise and infrastructure to better serve foreign customers.

5. ***Product Development: Manufacturing of products including semiconductor manufacturing equipment, medical devices, robotics and other industries which require high-mix, low-volume***

Our strategy is focused on significantly expanding our product development and market presence across high-mix, low-volume industries, including semiconductor manufacturing equipment, medical devices, and robotics. This approach aims to capture market share in these precision-driven sectors by leveraging our unique capabilities and focusing on organic growth opportunities.

We are committed to extending our manufacturing expertise beyond aerospace tooling to encompass a diverse range of industries such as oil and gas, energy, transportation, and medical sectors. Our dual capability in “build to print” and “build to specification” distinctly positions us in the marketplace. Between Fiscals 2022 and 2024, we have manufactured 2,356 SKUs in tooling and precision complex sub-assemblies’ category and 624 SKUs in the precision machined parts category. Such extensive production capabilities underscore our adaptability and dedication to delivering high-quality components.

Precision tooling is a cornerstone of our operations, encompassing a wide range of equipment and techniques designed to create components with extreme accuracy and durability. This includes precision tooling equipment, super precision tooling, metal stamping, die stamping, cutting tools, forming dies, jigs and fixtures, station tooling, progressive tooling, drawing tools, welding and inspection fixtures, and sheet metal dies. These tools are essential in industries like aerospace, defence, medical device manufacturing, and robotics, where tight specifications and high-quality production are crucial. Our expertise in these areas will enable us to meet the stringent requirements of various manufacturing processes, ensuring that our components perform reliably under demanding conditions. Our dual capability model will enhance our ability to meet diverse customer needs with precision.

As we look to further expand our product offerings, our focus is on introducing new products that align with the needs of high-growth sectors. For instance, we plan to enhance our offerings in medical devices and robotics, targeting clients within these sectors who require advanced, high-precision equipment for their operations. This expansion aligns with our goal of broadening our presence in these high-value markets and positioning ourselves to meet the evolving demands of these industries. This strategic expansion is not just about increasing the range of products we offer but also about broadening our market presence. By entering new product categories and segments, particularly in medical and robotics, we are aligning our capabilities with emerging industry trends and customer needs. Our focus on high-mix, low-volume products allows us to cater to niche markets where precision and quality are paramount.

The strategies of our Company listed above have been adopted by a resolution passed by our Board on August 19, 2024.

KEY FINANCIAL AND OPERATIONAL METRICS

Financial Metrics

The table below sets out some of our financial and other metrics as at and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022:

Key Financial Metrics:	**Financial year ended March 31, 2024**	**Financial year ended March 31, 2023**	**Financial year ended March 31, 2022**
Revenue from operations (₹ million)	2,087.75	941.66	363.49
Revenue from operations growth (%)	121.71%	159.06%	-*
Gross profit (₹ million)	1,375.93	677.69	263.29
Gross Margin (%)	65.90%	71.97%	72.43%
EBITDA (₹ million)	791.86	345.63	77.26
EBITDA Margin (%)	37.93%	36.70%	21.25%
Profit after tax for the period / year (₹ million)	581.34	228.13	33.92
Profit Margin (%)	27.85%	24.23%	9.33%
Fixed Asset Turnover Ratio (Times)	5.16	3.51	-**
Return on Capital Employed (ROCE) (%)	54.36%	42.87%	10.34%
Return on Equity (%)	53.53%	46.71%	12.26%
Number of Plants[#]	2	2	2
Installed Capacity[#] (No. of Hours)	2,22,990	1,25,100	99,810
Number of Customers	16	15	18
Number of Countries	5	5	5
Operating Metrics:			
Customer Concentration (top 5)	96.80%	93.88%	88.97%
Customer Concentration (top 10)	99.45%	98.11%	96.67%
Trade Receivable Days (10)	82	125	75
Trade Payable Days (11)	66	68	98^
Inventory Days (12)	101	218	163
Cash Conversion Cycle (13) (Days)	117	275	140

* *Not included as the comparative period figures under IND AS for FY 2021 as on March 31, 2021 are not available*

** *Not included as the comparative period figures under IND AS for FY 2021 as on March 31, 2021 are not available which will be used for calculating the Average Fixed Assets*

Number of plants and installed capacity (no. of hours) is derived based on the certificate dated August 19, 2024, from the Independent Chartered Engineer, Nagsons Engineers & Consultants.

^ *Opening stock for the year ended March 31, 2022 has not been considered as the closing stock under IND AS for the year ended March 31, 2021 is not available*

Notes: Formula for ratios are as below

1. *Revenue from operations growth (year on year) means the annual growth in Revenue from operations.*
2. *Gross Profit is calculated as Revenue from operations less Cost of Goods Sold. Cost of goods sold is the sum of Cost of materials consumed, Purchases of stock-in-trade, increase/ decrease in inventories and sub-contracting cost.*
3. *Gross Margin is calculated as Gross Profit divided by Revenue from Operations.*
4. *EBITDA is calculated as restated profit before tax plus finance costs, depreciation and amortisation expense less other income.*
5. *EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.*
6. *Profit Margin is calculated as restated profit after tax for the year divided by Revenue from Operations.*
7. *Fixed Asset Turnover Ratio is calculated as Revenue from operations divided by Average Fixed Assets. Average Fixed Assets is calculated as the average of Property, plant and equipment, Intangible assets and Right-of-use assets of the previous two financial years.*
8. *Return on Capital Employed is calculated as Earnings before Interest and Tax divided by the sum of Total Equity and Total Debt*
9. *Return on Equity is calculated as Profit After Tax divided by Total Equity*
10. *Trade Receivable days is calculated as Trade receivable outstanding at the end of the year divided by Revenue from operations for the year multiplied by 365.*
11. *Trade Payable days is calculated as Trade payables outstanding at the end of the year divided by Total Purchases made for the year multiplied by 365.*
12. *Inventory days is calculated as Inventory outstanding at the end of the year divided by Total Cost of Goods Sold multiplied by 365.*
13. *Cash conversion cycle is calculated as Days of inventory outstanding plus days of sales outstanding less days of payables outstandings.*

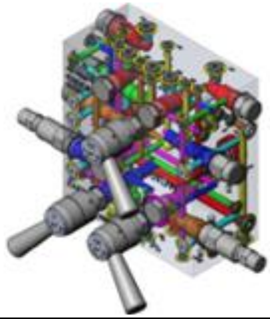
OUR PRODUCTS

We manufacture an array of products for the aerospace, defence, semi-conductor and energy sectors. Our product offerings include aero-tooling and precision parts and assemblies including electromechanical subsystems for nuclear reactors, and semiconductor manufacturing equipment. Between Fiscals 2022 and 2024, we have manufactured 2,356 SKUs in tooling and precision complex sub-assemblies' category and 624 SKUs in the precision machined parts category, supplying to more than 26 customers across 7 countries.

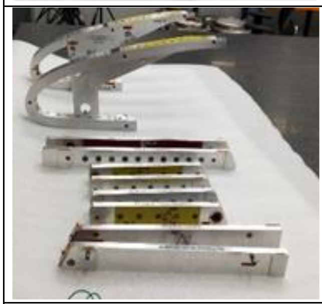
A. Aero Engine tooling

Product Image	Product	Product Category	End-use industries	Description
	Engine lifting and balancing beams	Aero Engine tool	Aerospace	This assembly 'lifting and turning fixture', is engineered for the precise handling of engine assemblies.
	Fixture to lift and turn - hp compressor aft spool	Aero Engine tool	Aerospace	This fixture, is engineered to lift and rotate the "High Pressure Compressor AFT Spool" during maintenance operations.
	Oil Tubes Alignment Fixture	Aero Engine tool	Aerospace	This tool is designed for aligning C-Sump tubes, a process characterized by high manufacturing complexity due to the stringent assembly dimensions required.
	Fixture to Torque Nut of Booster Shaft	Aero Engine tool	Aerospace	This fixture is designed to tighten the nut of the booster shaft. It is a high-precision tool that addresses manufacturing challenges, including the machining of splines on the tube at a material hardness of 46-50 HRC.

Product Image	Product	Product Category	End-use industries	Description
	Radial Centering Support	Aero Engine tool	Aerospace	This fixture is essential for securing radial centring and providing partial support for the fan and booster assembly, bearing half support, OGV hub assembly, and core and turbine.
	Fixture to Lift Fan Assembly	Aero Engine tool	Aerospace	This product is designed to manage the assembly of Leap 1A and 1B fans, integrating advanced fabrication and machining processes.
 	Fixture – Installation HPT FWD Outer Seal	Aero Engine tool	Aerospace	The Fixture for the Installation HPT FWD Outer Seal is engineered to meet demanding precision requirements, including parts with parallelism within 10 microns.
	Strongback Fixture for LPT Assembly	Aero Engine tool	Aerospace	The Strongback Fixture for LPT Assembly, measuring 1400 x 1300 x 350 mm, is designed to handle and transport LPT assemblies efficiently.
	Fixture – Hydraulic Expander	Aero Engine tool	Aerospace	Fixture – Hydraulic Expander, designed with precision and functionality with overall dimensions of 1150 x 1150 x 1750 mm, this critical tool ensures synchronized parts expand hydraulically and return via spring load.

Product Image	Product	Product Category	End-use industries	Description
 	Hydraulic Manifold Kit	Aero Engine tool	Aerospace	This kit overcomes significant challenges with its advanced features, including 5-axis machining and cross-drilling across all six faces, incorporating over 150 interlinked holes.
	Heater for adapter LPT Shaft installation	Aero Engine tool	Aerospace	The Heater for adapter LPT Shaft installation is designed to address the challenges of distortion-controlled welding to achieve precise final dimensions.

B. Airframe tooling:

Product Image	Product	Product Category	End-use industries	Description
	Lateral Spar Assembly	Drilling Jig for Airframe part	Aerospace	This is a high-precision Drilling Jig, designed to accurately locate and drill holes on critical airframe components.
	Drill Jig	Airframe Tooling	Aerospace	The Drill Jig for precision drilling in the assembly of the upper/nose skin panel, seal rib, upper attach strap, and wingtip stiffeners of model aircraft.
	Airframe Assembly Platforms	Aero support platform	Aerospace	This platform has been designed to meet the specific requirements of manufacturing plants.

C. Precision Parts:

Product Image	Product	Product Category	End-use industries	Description
	Head End Dome	Precision Part	Defence	This component tackles multiple challenges including achieving concentricity of 0.1 mm across all diameters and a surface finish of 0.8 Ra on designated areas.
	Missile Component	Precision Part	Defence	Crafted from Aluminium Alloy 2014-T652, its construction presents unique challenges, particularly in machining the thin wall section with a thickness of just 0.4 mm. To address this, a specialized fixture has been designed to manage machining stresses and prevent deformation, ensuring the integrity of the thin wall section throughout production.
	Missile Component	Precision Part	Defence	The Manifold, a complex component tackling several technical challenges with precision and expertise.

D. Precision Sub System

Product Image	Product	Product Category	End-use industries	Description
	Rocker Arm - HMC CDA	Critical Automotive NPD	Automotive	The Rocker Arm - HMC CDA is a crucial valvetrain component designed to transfer the motion of a pushrod to the corresponding intake or exhaust valve.

Product Image	Product	Product Category	End-use industries	Description
	Complex Electro-Mechanical Assemblies	Drive mechanism to control nuclear energy	Energy	This Drive Mechanism Subsystem for Nuclear Reactors is integral to the control rod functionality within the reactor core, managing the insertion, withdrawal, and positioning of neutron-absorbing control rods.

Our Manufacturing Process

We possess unique "build to print" and "build to specifications" capabilities.

i. **Build to Print –** We manufacture the products basis the specific designs and drawings shared by our clients;

ii. **Build to Specifications –** We assist our clients in designing and manufacturing products basis certain specifications and descriptions of the clients requirement and the expectations of the functions to be performed by such products.

Our manufacturing capabilities include machining capabilities such as turning, milling, double column milling, electro discharge machining and grinding. Our turning capabilities include vertical turning of up to 1.50 metres, horizontal turning up to the diameter of up to 0.7 metres and length of up to 2.00 metres and turn mill up to 200 mm. Our milling capabilities include 5 axis of diameter of up to 600 mm, 3 axis machine of length up to 1.50 metres, 4 axis up to diameter up to 600 mm. Our double column milling capabilities include machining length of 3.30 metre and width of 1.60 metre. Our EDM can machine up to 0.5 metre machining. Our grinding capabilities include grinding up to 300 mm diameter. Our fabrication capabilities include engineering fabrication of up to 2.0 metres and structural fabrication of up to 6 metres with AWS and ASME certified welders and processes. Our special process capability includes painting, polymer based coatings, NADCAP certified process including heat treatment and anodizing, through third party vendors.

Our in-house manufacturing capabilities

As of March 31, 2024, we have two manufacturing facilities, Unit I and Unit II, in Bangalore which is spread across an aggregate area of over 1,20,000 sq ft. Our facility in Unit I in Peenya, Bangalore, is spread across an area of over 30,000 sq. ft. and our Unit II facility in Devanahalli is situated in a Special Economic Zone ("**SEZ**") near Bangalore International Airport which is spread across an area of over 90,000 sq. ft. Our manufacturing facilities are accredited with AS 9001D, BS EN ISO 9001 and ISO 45001:2018. For further details in relation to our manufacturing facilities and our other properties, see "***– Property***" on page 200.

Our design, engineering, and production capabilities, combined with expertise in developing customized solutions for industries such as aerospace, defence, semi-conductor and energy have enabled us to deliver quality solutions to our domestic and global customers. Additionally, we possess a variety of special process in-house capabilities. Our vendor network combined with our in-house capabilities, provides us with the ability to scale and efficiently produce complex components, high precision fabricated assemblies and other tooling products with very close tolerances and also enables us to provide a wide array of B2P products.

Some of our in-house capabilities are demonstrated below:

Machining

Large CNC milling

Fabrication

Special Processes

Electrical and electronics

Inspection

The below table sets forth the number of machineries owned by our Company as on June 30, 2024:

Type of Machineries	Number of machines
Vertical machining centre	32
Turning machine	22
Vertical turning lathes / vertical turning milling centres	6
Coordinate measuring machine	4
Others	32

Our in-house proprietary ERP system plans and tracks every step of the product manufacturing process, from inception to completion, including the movement of all components to external vendors, thereby assisting in timely delivery of our products. The ERP system tracks all manufacturing operations within the vendor network, ensuring transparency and real-time monitoring of supplier performance. This digital tracking mechanism helps maintain standards of quality and timely delivery of outsourced components.

Sub-contractor ecosystem

Our sub-contractor ecosystem undertakes aspects of our manufacturing process with limited complexity, enabling us to concentrate on critical aspects of the manufacturing process. We have sub-contractors working exclusively for us outside our facility as well as within our facility operating from our facility at Unit I in Peenya, Bangalore, providing us with an oversight over their manufacturing processes, facilitating regular inspections, and ensuring quality control. Our process for selecting and on-boarding sub-contractors is rigorous and systematic. We assess potential sub-contractors based on their technical capabilities, quality standards, and reliability. Once selected, sub-contractors undergo an on-boarding program that includes training on our processes, quality requirements, and safety standards.

Installed capacity and capacity utilization

The table below sets forth the capacity utilization across our both manufacturing facilities as of March 31, 2022, 2023 and 2024, respectively:

C. Capacity and capacity utilization of our Company over the last three Fiscal Years

As of, and for year ended March 31,								
2024			2023			2022		
Annual Installed Capacity (Hours)	Annual utilization Hours (Hours)	Capacity Utilization (%)	Annual Installed Capacity (Hours)	Annual Actual Production (Hours)	Capacity Utilization (%)	Annual Installed Capacity (Hours)	Annual Actual Hours (Hours)	Capacity Utilization (%)
43,170.00	41,113.64	95.24%	43,170.00	40,963.61	94.89%	38,220.00	35,781.00	93.62%

D. Capacity and capacity utilization of our Material Subsidiary over the last three Fiscal Years

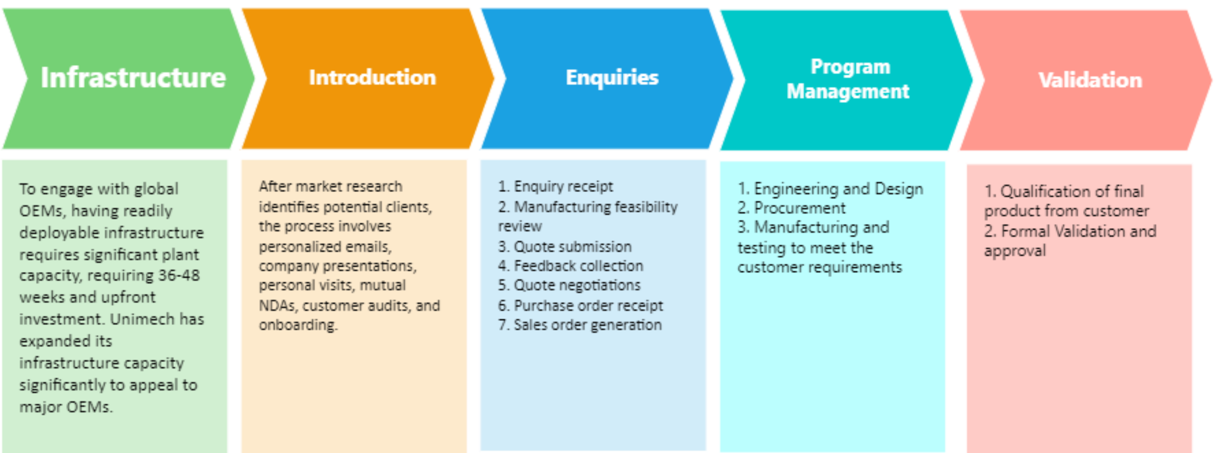
As of, and for year ended March 31,								
2024			2023			2022		
Annual Installed Capacity (Hours)	Annual Actual Production (Hours)	Capacity Utilization (%)	Annual Installed Capacity (Hours)	Annual Actual Production (Hours)	Capacity Utilization (%)	Annual Installed Capacity (Hours)	Annual Actual Production (Hours)	Capacity Utilization (%)
1,79,820.00	1,68,348.85	93.62%	81,930.00	77,441.88	94.52%	61,590.00	58,592.00	95.13%

Process of Onboarding a Customer

We are a key link in the global supply chain for global OEMs and their licensees in the aerospace, defence, semi-conductor and energy sector. We are required to undergo a stringent review process to satisfy the quality requirements of the customers. As part of the review process, we are required to prove our manufacturing capabilities, production capacity and product quality to our customers.

The process can take up to three years, with the initial phase focused on building trust and ensuring we have the capacity to meet their needs. This starts with making connections through market research, inbound enquiries, or industry events. We then showcase our profile and discuss potential collaborations. The OEM will meticulously evaluate our competitiveness and conduct an audit of our facilities to confirm our capabilities. Only after these steps and successful negotiations on commercial terms will we progress to the onboarding stage. Here, the OEM registers us as a vendor and issues a purchase order for a limited quantity, typically for initial product inspection and qualification. Our components undergo testing before we can secure initial purchase orders. Additionally, building trust is a gradual process, so expect the initial order to be small, with the size increasing as the OEM becomes comfortable with our capabilities. By successfully navigating this extended onboarding journey, we can establish ourselves as a valued supplier within their global supply chain.

A detailed process of onboarding a customer has been set out in the below diagram:



Sales and marketing process

Our sales and marketing strategy is focused at enhancing our visibility, strengthening customer relationships, and accordingly driving our growth. Key components of this strategy include word-of-mouth referrals, participation in industry events, strategic use of LinkedIn, and targeted cold emailing. Active engagement in industry events is pivotal to our business development strategy. By participating in trade shows, conferences, and industry forums, we create valuable opportunities to network with various industry stakeholders including potential clients, partners, and industry experts. These platforms enable us to showcase our capabilities, understand market trends, and build strong relationships within the industry.

We offer a comprehensive range of products and solutions, which increases our sales across various categories and enhances our value proposition to existing clients. Participation in industry events, such as trade shows and aero shows, is another key element of our strategy. These events provide a platform to showcase our capabilities and those of our subsidiaries on both national and global stages. For example, our company has actively exhibited at several prominent aero shows, allowing us to demonstrate our technical expertise, expand our network, and engage with potential customers.

Our marketing efforts are further supported by our partnership with various marketing agencies. This collaboration is instrumental in amplifying our reach and effectiveness in targeting potential clients. Through strategic marketing initiatives, including digital campaigns and market research, helps us to refine our messaging and connect with key decision-makers in our target markets.

Cyber Security and Software

Our cyber security strategy is meticulously designed to comply with industry practices and standards, delivering a comprehensive protection framework for our Company. Our commitment to excellence in cyber security begins with adherence to critical standards, which we have successfully completed. This demonstrates our ability to protect controlled unclassified information in non-federal systems and organizations. Additionally, we have obtained Certificate of Assurance by Cyber Essentials, which underscores our dedication to implementing effective cyber security controls to mitigate common internet-borne threats.

We deploy advanced end-point protection solutions to safeguard devices against malware, ransomware, and other malicious attacks. Our firewall systems provide a critical barrier between our internal networks and potential external threats. These systems are configured to detect and neutralize unauthorized access attempts, ensuring that our data remains secure. Our IT infrastructure is built on technologies from a reputed software company, which offers a secure and scalable foundation for our operations. We utilize a centralized domain management software, allowing us to control user access and enforce security policies efficiently. Multi-Factor Authentication (MFA) adds an additional layer of security, requiring users to verify their identity through multiple means before gaining access to our systems. All of this reduces the risk of unauthorized access due to compromised credentials.

Email remains a primary vector for cyber-attacks, and we have implemented an email management system to enhance our email security. This solution provides advanced threat protection, including anti-phishing, anti-malware, and anti-spam features. To maintain high security standards, we conduct train our employees on these aspects. We educate our workforce on the cyber security threats ensuring that they are well-informed and vigilant.

Health, safety and environment

We believe in the strict adherence of laws and regulations relating to protection of human health and safety, and the environment. We follow high standards of work safety measures and standards, and our equipment and working conditions promote a healthy and safe work environment. Our facilities and personnel are well versed with laws and regulations governing the management and disposal of hazardous substances, and we intend to make our operations more environmentally sustainable in the future. We also conduct regular emissions tests and all our wastes are disposed through approved authorised agents of the pollution control board.

In addition to various laws and regulations, we also abide by the internal practices and standards on safety that we have established internally. We also have emergency evacuation plan and the same is duly displayed across the organisation at all relevant places. We also conduct regular training, programmes, mock drills at regular intervals, to educate and prepare our employees for emergency and evacuation situation.

Human resources and employee training

As of March 31, 2024 we had 384 employees**.** The table below sets out details of our employees by function for the periods indicated.

Department	As of March 31, 2024
Senior Management	**7**

Department	As of March 31, 2024
Middle management	4
Managerial	14
Executive/Engineer	164
Operator	116
Trainee	42
NAPS - Trainee	23
Others/ Non-operator	8
Administrative staff	3
Consultation	3
Total	**384**

We prioritize the continuous growth and expertise of our employees. Our policies are specifically designed to attract and nurture talented individuals, ensuring seamless integration and skill development. Here are the key elements of our company-specific training and development approach:

Structured Training Programs: We offer targeted training modules for technical apprentices, operators, supervisors, and engineers. These programs are meticulously designed to enhance their skills and core competencies. Our goal is to elevate apprentices from their initial level to skilled technicians by constantly enhancing their competence and efficiency.

Cross-Departmental Rotation: To foster cross-disciplinary knowledge, we regularly rotate our apprentices across various departments. This practice ensures a well-rounded skill set and promotes collaboration. Our best performers are identified and rewarded based on their contributions.

External Training Opportunities: In addition to in-house training, we encourage participation in external programs. These may include workshops, conferences, and specialized courses. Our commitment extends to providing resources like educational materials, books that align with job-related learning.

Insurance

Our operations are subject to risks inherent in the engineering, procurement and manufacturing industry, such as equipment failure, work accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Apart from employee linked insurance, our Company has not suffered any losses in related to insured properties. However, we may be subject to losses resulting from defects or damages arising from the engineering or procurement services we provide and the products we manufacture. We are typically required by our customers to obtain specialised insurance, including third party liability insurance policies to cover risks during execution of our projects. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate and consistent with industry standards in India.

ESG

We are committed to a sustainable future. By 2030, we aim to achieve a significant reduction in our environmental footprint through a 60% decrease in greenhouse gas emissions and a 60% reduction in waste. We are also committed to building a more inclusive and skilled workforce. By 2030, we intend to upskill up to 3,000 students for manufacturing careers and fostering diversity within our Company along with our Subsidiaries and aiming for at least 50% representation from underrepresented groups.

Competition

Our primary competitors in the aerospace tooling sector are established European and American manufacturers with strong production capabilities and shorter lead times. While labour cost advantages provide a competitive edge, overcoming these entrenched players requires sustained focus and investment.

We can potentially face competition from Indian and other developing country suppliers, but because of the high entry barriers, it becomes difficult for a new entrant to compete on scale.

The defence and nuclear sectors are characterized by intense competition with established players. We are actively working to gain a foothold in these markets. The semiconductor industry is an emerging sector in India, presenting both opportunities and challenges as domestic manufacturing capabilities expand. For further details, please see "***Industry Overview***" on page 141.

Intellectual Property Rights

For details regarding intellectual property rights, please refer to "***Government Approvals – Intellectual Property related approvals***" on page 333. Also see, '***Risk Factors —9. We may not be able to adequately protect our intellectual property. While our Company has registered three trademarks in India, and may register our other intellectual property in the future, 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.***' on page 34.

Property

Our facility in Unit I in Peenya, Bangalore ("**Unit I**"), is spread across an area of over 30,000 sq. ft. and is equipped with a temperature-controlled machine shop including computerised numerical control ("**CNC**") turning and milling machines and capability maturity model ("**CMM**") capabilities, primarily required for machining highly complex component parts for Indian defence, energy and aerospace customers. Our Unit II facility is situated in a Special Economic Zone ("**SEZ**") near Bangalore International Airport ("**Unit II**") which is spread across an area of over 90,000 sq. ft. and is equipped with turnkey capabilities for machining, fabrication, assemblies and other special processes and focuses on aerospace tooling, complex manufacturing solutions and complex component part machining for the global licensees and OEMs.

Our facility in Unit I located at plot number 543 in Peenya 4th Phase, industrial area, survey number 88, Nallakadarenahalli Village, Yeshwanthpura Hobli, Bengaluru - 560 058, Karnataka, India was held on a leave and license basis for a period of three years from June 24, 2019 and had been renewed for a further period of three years from April 1, 2022; and Our facility in Unit II located at plot number 3, Aerospace SEZ Sector, Hitech, Defence & Aerospace Park, survey number 21P, Kavadadasanahalli Village, Channarayapattana Hobli, Devanahalli Taluk, Bengaluru Rural, Karnataka, India is held on a leasehold basis for a period of ninety nine years from November 2, 2019.

Our registered office is located at 538, 539, 542 and 543, 7th Main of Peenya IV Phase Industrial Area, Yeshwanthpur Hobli, Bangalore North Taluk - 560058, Bangalore, Karnataka, India and is held on a leave and license basis period of three years from April 1, 2022. We have also been allotted Plot number 38-J &38-H, Devanahalli General Industrial Area, Doddaballapura & Devanahalli Taluk, Bengaluru Rural, Karnataka, India *vide* allotment letter dated July 1, 2024 issued by the Karnataka Industrial Areas Development Board. Also see, '***Risk Factors –13. We do not own our Registered Office and Corporate Office and land on which our Company's manufacturing facilities is located. A failure to renew our existing lease arrangement at commercially favourable terms or at all may have a material adverse effect on our business, financial condition and results of operations.***' on page 36.

The following table sets forth the details of our properties, as of March 31, 2024 that have been leased by us:

S. No.	Address	Name of lessor and whether the lessor is a related party or a member of the Promoter Group	Description and usage	Ownership status	Tenure of lease and lease rent	Whether lease deed is adequately stamped/ registered
1	Plot number 543 in, Peenya 4th Phase, industrial area, survey number 88, Nallakadarenahalli village, Yeshwanthpura Hobli, Bengalore - 560 058	G. L Polyurethene Processing Company Private Limited Relationship with our Company - Not related	Commercial purpose	Leased	For a period of three years from April 1, 2022. Monthly rent of ₹ 0.75 million with an increment of 5% every year.	Yes
2	Plot number 3, Aerospace SEZ Sector, Hitech, Aerospcae & Defence Park, survey number 21P, Kavadadasanahalli Village, Channarayapattana Hobli, Devanahalli Taluk, Bengaluru Rural, Karnataka, India	Karnataka Industrial Areas Development Board Relationship with our Company - Not related	For setting up an industry for manufacture of 'Aerospace tooling'	Leased	99 years from November 2, 2019 Yearly rent of ₹ 2,000	Yes
3	Plot number 38-J &38-H, Devanahalli General Industrial Area, Doddaballapura & Devanahalli Taluk,	Karnataka Industrial Areas Development Board*	For setting up an industry for manufacture of 'Aerospace tooling manufacturing'*	Lease cum sale basis*	10 years Lease rent of ₹ 1,000 per acre per annum*	NA

S. No.	Address	Name of lessor and whether the lessor is a related party or a member of the Promoter Group	Description and usage	Ownership status	Tenure of lease and lease rent	Whether lease deed is adequately stamped/ registered
	Bengaluru Rural, Karnataka, India*	Relationship with our Company - Not related				

* *Basis allotment letter dated July 1, 2024 issued by the Karnataka Industrial Areas Development Board*

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain key regulations, statutes, circulars, directions and policies which are applicable to our Company and Material Subsidiary. The information detailed in this chapter has been obtained from publications available in the public domain. Further, the information detailed in this section is based on the provisions of statutes, bills, regulations, notifications, memorandum, circulars and policies which are subject to amendment, modification and/or change by subsequent legislative, regulatory, administrative or judicial decisions. The descriptions of the applicable statutes, regulations, circulars, directions and policies set out below are not exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Taxation statutes such as the Income-tax Act, 1961, the Customs Act, 1962, professional tax legislations, wherever applicable and the relevant goods and service tax legislation apply to us as they do to any Indian company.

*For details of the material government approvals obtained by our Company and our Material Subsidiary, see "***Government and Other Approvals***" on page 330.*

Bureau of Indian Standards Act, 2016 ("Bureau of Indian Standards Act")

The Bureau of Indian Standards Act provides for the standardization, conformity assessment, marking and quality certification of goods, articles, processes, systems and services. The Bureau of Indian Standards Act provides for the functions of the bureau which include, among others (a) recognize as an Indian standard, any standard established for any goods, article, process, system or service by any other institution in India or elsewhere; (b) specify a standard mark to be called the Bureau of Indian Standards Certification Mark; and (c) make such inspection and take such samples of any material or substance as may be necessary.

Industrial (Development and Regulation) Act, 1951, as amended ("I(D&R) Act")

The I(D&R) Act has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries, including among others, all types of electronic aerospace and defence equipment. The I(D&R) Act is administered by the Ministry of Commerce and Industry through the Department of Industrial Policy and Promotion ("DIPP"). The main objectives of the I(D&R) Act is to empower the Government to take necessary steps for the development of industries; to regulate the pattern and direction of industrial development; and to control the activities, performance and results of industrial undertakings in the public interest. The DIPP is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector.

Remission of Duties and Taxes on Exported Products Scheme ("RoDTEP Scheme")

The RoDTEP Scheme has been with effect from January 1, 2021. The aim of the RoDTEP Scheme was to reimburse all exporters for previously non-reimbursable taxes and duties. This provides new benefits to exporters for exporting products outside of India and encourages global trade. Under the RoDTEP Scheme, support will be provided to eligible exporters at a notified rate as a percentage of Freight on Board ("FOB") value. Mandi tax, VAT, coal cess, central excise duty on fuel etc. is refunded. The refund is issued in the form of transferable electronic scrips. These duty credits will be maintained and tracked through an electronic ledger. Certain categories, which would not avail the benefits include export goods that are subject to minimum export price, restricted and prohibited items, deemed exports, supplies of goods manufactured by domestic tariff area units to Special Economic Zones ("SEZs"), and products manufactured or exported by units situated in SEZs.

The Legal Metrology Act, 2009

The Legal Metrology Act, 2009 ("**Legal Metrology Act**") seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act provides that for prescribed specifications all weights and measures should to be based on metric system only.

Further, the Legal Metrology Act lays down penalties for various offences, including but not limited to, use or sale of non-standard weight or measure, contravention of prescribed standards, counterfeiting of seals and tampering with license.

Intellectual property laws

The Trade Marks Act, 1999 ("Trade Marks Act")

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Under the provisions of the Trade Marks Act, an application for trademark registration may be made with the Trade Marks Registry by any person or persons claiming to be the proprietor of a trademark, whether individually or as 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 is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

Designs Act, 2000 ("Designs Act")

Industrial designs have been accorded protection under the Designs Act. A 'Design' means only the features of shape, configuration, pattern, ornament or composition of lines or colour or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, trademarks and copyrights. Any person claiming to be the proprietor of a new or original design may apply for registration of the same under the Act before the Controller-General of Patents, Designs and Trademarks. On registration, the proprietor of the design attains a copyright over the same. The duration of the registration of a design in India is initially 10 years from the date of registration, but in cases where claim to priority has been allowed the duration is 10 years from the priority date. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design, or fraudulent or obvious imitation thereof.

The Copyright Act, 1957 ("Copyright Act")

The Copyright Act serves to create property rights for certain kinds of intellectual property, generally called works of authorship. The intellectual property protected under the Copyright Act includes copyrights subsisting in artistic works, original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings, including computer programs, tables and compilations including computer databases. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act acts as prima facie evidence of the particulars entered therein and may help expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years following the demise of the author. Reproduction of a copyrighted work for sale or hire and issuing of copies to the public, among others, without consent of the owner of the copyright are acts which expressly amount to an infringement of copyright.

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:

- Contract Labour (Regulation and Abolition) Act, 1970
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- Factories Act, 1948
- Employees' State Insurance Act, 1948
- Minimum Wages Act, 1948
- Payment of Bonus Act, 1965
- Payment of Gratuity Act, 1972
- Payment of Wages Act, 1936
- Maternity Benefit Act, 1961
- Industrial Disputes Act, 1947
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

- Employees Compensation Act, 1923
- The Child Labour (Prohibition and Regulation) Act, 1986
- The Equal Remuneration Act, 1976 T
- The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996
- Industrial Employment (Standing Order), Act, 1946
- The Trade Unions Act, 1926 and the Trade Union (Amendment) Act, 2001
- The Code on Wages, 2019*
- The Occupational Safety, Health and Working Conditions Code, 2020**
- The Industrial Relations Code, 2020***
- The Code on Social Security****

* *The GoI enacted The Code on Wages, 2019 which received the assent of the President of India on August 8, 2019 through its notification dated December 18, 2020, the Gol brought into force sections 42(1), 42(2).42(3), 42(10), 42(11), 67(00(x). 67(1)(10) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7. 9 (to the extent that they relate to the Gol) and 8 of the Minimum Wages Act, 1986)) 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 Gol. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1963 and the Equal Remuneration Act, 1976.*

** *The Gol enacted The Occupational Safety, Health and Working Conditions Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Gol. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.*

*** *The Gol enacted The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Gol. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.*

**** *The Gol enacted The Code on Social Security, 2020 which received the assent of the President of India on September 28. 2020. The provisions of this code will be brought into force on a date to be notified by the Gol. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees State Insurance Act, 1948, the Employees Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers Social Security Act, 2008.*

Environment protection laws

Environment Protection Act, 1986 ("EPA")

The EPA is the umbrella legislation in respect of the various environmental protection laws in India. Under the EPA, the Government of India is empowered to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, inter alia, laying down standards for the quality of environment, standards for emission of discharge of environment pollutants from various sources, as provided under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ₹100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EPA continues beyond a period of one year after the date of conviction. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of government analysts.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")

The Hazardous Waste Rules, read with the Environment Protection Act, ensure resource recovery and disposal of hazardous waste in an environmentally sound manner. A categorical list of processes and their respective hazardous wastes, and waste constituents with respective concentration limits has been provided in the schedules of the Hazardous Waste Rules. The Hazardous Wastes Rules require every occupier engaged in the generation, handling, processing, treatment, package, storage, transportation, use, collection, destruction, transfer or the like of hazardous wastes to obtain authorisation from the concerned state pollution control board, as applicable.

The Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act") and the Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. The Air Act requires any person establishing or operating any industrial plant in an air pollution control area to obtain prior consent from the concerned state pollution control board. Further, it prohibits any person operating any industrial plant in an air pollution control area from causing or permitting to be discharged the emission of any air pollutant in excess of prescribed standards. The Water Act was enacted to control and prevent water pollution and for maintaining or restoring of wholesomeness of water in the country and ensure that domestic and industrial pollutants are not discharged into water bodies without adequate treatment. Both these Acts have been enacted to also provide for the establishment, with a view to carrying out the purposes aforesaid, of Boards for the prevention and control of air and water pollution, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. Any violation of the provisions of the Air Act and Water Act is punishable with a fine and/or imprisonment, as applicable.

E-Waste (Management), 2022 ("E-Waste Rules")

The E-Waste Rules apply to every manufacturer, producer, consumer, bulk consumer, collection centres, dealers, e-retailer, refurbisher, dismantler and recycler involved in manufacture, sale, transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment as classified under the E-Waste Rules, including their components, consumables, parts and spares which make the product operations. The E-Waste Rules mandate that a manufacturer must register with the state pollution control board and also submit annual returns to the same authority. Producers of such e-waste also have extensive responsibilities and obligations and may come under the scrutiny of either the central pollution control board or the state pollution control board. The manufacturer, producer, importer, transporter, refurbisher, dismantler and recycler shall be liable for all damages caused to the environment or a third party due to improper handling and management of the e-waste and may have to pay financial penalties as levied for any violation of the provisions under these rules by the state pollution control board with the prior approval of the central pollution control board.

Other applicable laws

Special Economic Zone("SEZ")

A SEZ is a geographically bound duty free zone for the purposes of trade and operations. SEZs were first introduced in April, 2000 as a part of the Export-Import Policy. The Special Economic Zones Act, 2005 (the "**SEZ Act**") and the Special Economic Zones Rules, 2006 (the "SEZ Rules") simplified the procedure for development, operation and maintenance of the SEZs and for the setting up of and conducting business in the SEZs. Under the SEZ Act and the SEZ Rules, the incentives and facilities offered to the SEZ units include:

a. exemption from payment of taxes, duties or cess for any goods or services exported out of, or imported into, or procured from SEZs by SEZ units or developers, subject to the terms, conditions and limitations as may be prescribed, under the enactments specified in the SEZ Act; and

b. 100% income tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act, 1961 for the first five assessment years, 50% for the next five assessment years thereafter and 50% of the ploughed back export profit for the next five assessment years.

However, in accordance with Section 10AA of the I.T. Act read with the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 and the notification dated June 24, 2020 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, only SEZ units, which began manufacturing or producing articles or things or provide any services prior to September 30, 2020,in a case where the letter of approval, required to be issued in accordance with the provisions of the SEZ Act has been issued on or before March 31, 2020, shall be eligible for the incentive referred to in (b) above. For setting up a unit in an SEZ, a letter of approval has to be obtained from the Development Commissioner of the concerned SEZ. The grant of a letter of approval is dependent upon the unit meeting certain terms and conditions, as set out in the SEZ Act and the SEZ Rules. Such conditions include, among other things, the achievement of positive net foreign exchange to be calculated cumulatively for a period of five years from the commencement of production, in accordance with the formula set out in the SEZ Rules and the execution of a bond-cum-legal undertaking with regard to its obligations pertaining to proper utilization and accountal of goods, imported or procured duty free and the achievement of positive net foreign exchange.

Foreign Investment and Trade Related Laws

Foreign Investment in India

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEMA Rules**") and the Consolidated FDI Policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion ("**FDI Policy**"), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019, which regulate mode of payment and remittance of sale proceeds, among others. 100% foreign investment under the automatic route, *i.e.*, without requiring prior governmental approval, is permitted in the manufacturing sector. The FDI Policy and the FEMA Rules prescribe *inter alia* the method of calculation of total foreign investment (*i.e.*, direct foreign investment and indirect foreign investment) in an Indian company. In terms of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA NDI Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

Foreign Trade (Development and Regulation) Act, 1992 (the "FTA")

The FTA seeks to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTA provides that no person shall make any import or export except under an importer-exporter code number ("IEC") granted by the Director General of Foreign Trade, Ministry of Commerce ("DGFT"). The IEC granted to any person may be suspended or cancelled inter alia in case the person contravenes any of the provisions of FTA or any rules or orders made thereunder or the DGFT or any other officer authorized by him has reason to believe that any person has made an export or import in a manner prejudicial to the trade relations of India. Any person who makes any export or import in contravention of any provision of this Act or any rules or orders made thereunder or the foreign trade policy would become liable to a penalty under the FTA.

Foreign Trade Policy 2023

The Foreign Trade Policy 2023 shall remain to be in operation unless otherwise specified or amended.

The FTA read with the Foreign Trade Policy 2023 prohibits anybody from undertaking any import or export except under an Importer-Exporter Code number ("IEC") granted by Directorate General of Foreign Trade ("DGFT"). Hence, every entity in India engaged in any activity involving import or export is required to obtain an IEC unless specifically exempted from doing so. IEC shall be valid until it is cancelled by the issuing authority. IEC allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain IEC shall attract penalty under the FTA.

The Consumer Protection Act, 2019

The Ministry of Consumer Affairs notified certain sections of the Consumer Protection Act, 2019 ("**COPRA**") by way of the notification dated July 15, 2020 (with effect from July 20, 2020), including sections regulating the formation and functioning of the Consumer Protection Council at the national, state and district levels, the formation and functioning of Consumer Dispute Redressal Commissions at the national, state and district levels, mediation of consumer disputes, product liability actions and punishment for manufacturing for sale or storing, selling or distributing or importing products containing adulterants and spurious goods. The COPRA has been enacted to provide for protection of the interests of consumers and for the said purpose, to establish authorities for timely and effective administration and settlement.

The COPRA provides a mechanism for the consumer to file a complaint against a product manufacturer, seller, or service provider in cases of unfair contract or trade practices, restrictive trade practices, defected goods, goods which are hazardous or likely to be hazardous to life being sold in contravention to safety standards, deficiency in services and price charged being unlawful. It also places product liability on a manufacturer or product service provider or product seller, to compensate for any harm caused by defective product or deficiency in services. It provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non- compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA has, inter alia, also introduced a Central Consumer Protection Authority to regulate matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements, which are prejudicial to the interests of public and consumers and promote, protect, and enforce the rights of consumers. The COPRA has also brought e- commerce entities and their customers under its purview including providers of technologies or processes for enabling product sellers to engage in advertising or selling goods or services to a consumer, online marketplaces and online auction sites.

The Ministry of Consumer Affairs issued the Consumer Protection (E-Commerce) Rules, 2020 ("**E-Commerce Rules**") under the COPRA on July 23, 2020, which govern the online sale of goods, services, digital products by entities which own, operate, or manage digital or electronic facility or platform for electronic commerce ("**ECommerce Entities**"), all models of e-commerce (including marketplace or inventory based), and all ecommerce sellers. The E-Commerce rules lay down the duties and liabilities of E-Commerce Entities and ecommerce sellers.

In addition to the above, our Company is also required to comply with the Companies Act, 2013 and rules framed thereunder, the Competition Act, 2002 and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations.

Information Technology Act, 2000 ("IT Act")

The IT Act was enacted with the purpose of providing legal recognition to transactions carried out by the means of electronic data interchange and other means of electronic communication, commonly referred to as electronic commerce, which involve the use of alternatives to paper-based methods of communication and storage of information. The IT Act also seeks to facilitate electronic filing of documents and create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. The IT Act has extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. The Information Technology (Amendment) Act, 2008, which amended the IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorized manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto.

Other applicable laws

In addition to the above, we are also governed by the provisions of the Companies Act and rules framed thereunder, contract act, and other applicable laws and regulation imposed by the Central Government and State Governments and other authorities for our day to day business, operations and administration.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as "*Unimech Aerospace and Manufacturing Private Limited*" under the provisions of the Companies Act, 2013 pursuant to a certificate of incorporation dated August 12, 2016, issued by the Central Registration Centre, for and on behalf of the Jurisdictional Registrar of Companies, Karnataka at Bangalore ("**RoC**"). The name of our Company was subsequently changed to "*Unimech Aerospace and Manufacturing Limited*", upon conversion of our Company from a private limited to a public limited company, pursuant to a board resolution dated February 14, 2024, and a shareholders' resolution dated March 4, 2024. A fresh certificate of incorporation dated June 21, 2024, was issued by the RoC.

Changes in the registered office of our Company

Except as disclosed below, there has been no change in the registered office of our Company since the date of its incorporation:

Effective date of change	Details of the change in address of our registered office	Reasons for change
October 28, 2016	Change in registered office from "134, 3rd Cross, KSRTC Layout, Chikkallasandra Padmanabha Nagar, Bangalore, Karnataka – 560061" to "No.20/B, Shed, No.1, 2nd Main, 2nd Phase, Peenya Industrial Area, Bangalore – 560058"	Operational and administrative convenience
October 1, 2018	Change in registered office from "No.20/B, Shed, No.1, 2nd Main, 2nd Phase, Peenya Industrial Area, Bangalore – 560058" to "No 103,113 and 114 of Peenya III Phase Industrial Area, Sy 93,89 and 90 of Peenya Village, Yeshwanthpur Hobli, Bangalore, North Taluk, Bangalore Urban District, Bangalore – 560058"	Operational and administrative convenience
December 1, 2020(1)	Change in registered office from "No 103,113 and114 of Peenya III Phase Industrial Area, Sy 93,89 and 90 of Peenya Village, Yeshwanthpur Hobli, Bangalore, North Taluk, Bengaluru Urban District, Bengaluru – 560058" to "538, 539, 542 & 543, 7th Main of Peenya IV Phase, Industrial Area, Yeshwanthpur Hobli, Bangalore, North Taluk, Bangalore Urban District, Bengaluru – 560058"	Operational and administrative convenience

(1) *While the effective date of change mentioned in the board resolution is December 1, 2020, the form filing erroneously mention the effective date as November 20, 2020. For further details, see "**Risk Factors – 21. There is a factual inaccuracy in one of our corporate filings. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future which may impact our financial condition and reputation and we will not be subject to any penalty imposed by the competent regulatory authority in this**" on page 45.*

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

1. *"To carry on the business of manufacturing, construction/setting up of plant & machinery, facilities capable of manufacturing, products, components to be used in civil and defence, aerospace sector, space and satellite sector, semiconductors, industrial tooling and other sectors including those of emerging niche segments as the company may deem fit and to deal in, trade, market, purchase, import, sell, distribute and export the said products, components, accessories, equipments, systems and sub-systems including any parts and accessories thereof.*

2. *To generate, accumulate, transmit, distribute, purchase, sell and supply renewable energy by conventional and non-conventional methods including coal, gas lignite, oil, biomass, waste, thermal, solar, hydel, geo-hydel, wind and tidal waves.*

3. *To carry on the business of engineering, technology and designing services."*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

Amendments to our Memorandum of Association since incorporation

Set out below are the amendments to our Memorandum of Association since incorporation:

Date of Shareholders' resolution	Particulars
September 28, 2017	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of the Company from ₹ 10,000,000 consisting of 100,000 Equity Shares of face value of ₹ 100 each to ₹ 11,000,000 consisting of 110,000 Equity Shares of face value of ₹100 each.
December 23, 2023	Clause V of our Memorandum of Association was amended to reflect sub-division of Equity Shares of face value of ₹ 100 each to Equity Shares of face value of ₹ 5 each. Consequently, the authorised share capital of our company was sub-divided from ₹11,000,000 consisting of 110,000 Equity Shares of face value of ₹100 each to ₹11,000,000 consisting of 2,200,000 Equity Shares of face value of ₹ 5 each.
	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of the Company from ₹ 11,000,000 consisting of 2,200,000 Equity Shares of face value of ₹ 5 each to ₹ 300,000,000 consisting of 60,000,000 Equity Shares of face value of ₹ 5 each.
March 4, 2024	Clause I of the Memorandum of Association was amended to reflect the change in the name of our Company from '*Unimech Aerospace and Manufacturing Private Limited'* to '*Unimech Aerospace and Manufacturing Limited'*, pursuant to conversion of our Company to a public limited company.
	Clause III(A) of the Memorandum of Association was amended to insert following sub-clause: 1. *"To carry on the business of manufacturing, construction/setting up of plant & machinery, facilities capable of manufacturing, products, components to be used in civil and defence, aerospace sector, space and satellite sector, semiconductors, industrial tooling and other sectors including those of emerging niche segments as the company may deem fit and to deal in, trade, market, purchase, import, sell, distribute and export the said products, components, accessories, equipments, systems and sub-systems including any parts and accessories thereof.* 2. *To generate, accumulate, transmit, distribute, purchase, sell and supply renewable energy by conventional and non-conventional methods including coal, gas lignite, oil, biomass, waste, thermal, solar, hydel, geo-hydel, wind and tidal waves.* 3. *To carry on the business of engineering, technology and designing services."*

Major events and milestones of our Company

The table below sets forth some of the major events and milestones in our Company:

Calendar Year	Events and milestones
2016	Incorporated as '*Unimech Aerospace and Manufacturing Private Limited'*, as a private limited company under the Companies Act.
2017	Acquisition of business and business assets from M/s. Unimech Consulting Engineers.
2018	Incorporated our Subsidiary, namely, Innomech Aerospace Toolings Private Limited.
2024	Conversion into a public limited company under the name '*Unimech Aerospace and Manufacturing Limited*'.
2024	Investment of ₹ 2,500.00 million by ValueQuest SCALE Fund, Steadview Capital Mauritius Limited and Evolvence India Fund IV Ltd in our Company.

Awards, accreditations, and recognition

The table below sets forth some of the key awards, accreditations and recognitions of our Company:

Calendar Year	Awards, accreditations and recognition
2020	Received ISO 45001:2018 certification from NQA Certification Limited

Significant financial and strategic partnerships

Our Company does not have any significant financial or strategic partnerships as on the date of this Draft Red Herring Prospectus.

Time/cost overrun in setting up projects

There has been no time or cost overrun in respect of our business operations since our incorporation as on the date of this Draft Red Herring Prospectus.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

There has been no instance of rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our borrowings from lenders.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/facility creation, location of facilities

For details of key products launched by our Company, entry into new geographies or exit from existing markets or capacity/facility creation, location of manufacturing facilities, see "***Our Business***" on page 180.

Capacity/facility creation, location of branches

For details regarding capacity/facility creation, location of branches, see "***Our Business***" on page 180.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. since incorporation

Except as disclosed below, our Company has not undertaken any material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets since incorporation:

1. Business transfer agreement dated November 1, 2017, between M/s. Unimech Consulting Engineers and our Company

Our Company entered into a business transfer agreement dated November 1, 2017, being the effective date of transaction as well, with M/s. Unimech Consulting Engineers ("**Transferor**") (One of our Promoter Group member, Rasmi Anil Kumar, being the proprietor of the Transferor) pursuant to which the Transferor transferred its business, along with its fixed and leasehold assets ("**Business Assets**") on an "as-is-where-is" slump sale basis, free from all encumbrances, rights, title and interest of the Transferor for a total consideration inclusive of tax of ₹ 3.40 million. The fixed assets and facilities transferred to our Company comprised of machineries, equipment, furniture, fixtures etc. which formed part of or was used in the business of the Transferor. The lease hold rights of the commercial premises of the Transferor being its place of business where the Business Assets were situated was also transferred to our Company. Further, our Company absorbed all the employees of the Transferor on their existing terms of employment from the date of the business transfer agreement. There was no valuation conducted for the purposes of this acquisition.

2. Equity share sale and transfer memorandum dated December 12, 2023, between our Company, M/s. Pearl Enterprise and Unimech Healthcare Private Limited

Our Company entered into an equity share sale and transfer memorandum dated December 12, 2023, with M/s. Pearl Enterprise ("**Transferee**") and Unimech Healthcare Private Limited ("**Target Company**") pursuant to which our Company transferred 999 equity shares having face value of ₹ 100 each of the Target Company to the Transferee at ₹ 120 per equity share for a total consideration of ₹ 0.12 million, constituting 100% of the total issued, subscribed and paid-up share capital of the Target Company.

Further, Ramakrishna Kamojhala, our Whole-time Director and Chief Financial Officer, transferred his one equity share having face value of ₹ 100 each (held as a nominee of our Company in the Target Company) to Rukmani (held as a nominee of the Transferee) at ₹ 120 per equity share dated December 18, 2023. Upon completion of the transfer, the Target Company ceased to be a subsidiary of our Company. There was no valuation conducted for the purposes of this acquisition.

Guarantees provided to third parties by our Promoter offering their Equity Shares in the Offer for Sale

Except as disclosed below, our Promoter Selling Shareholders have not given any guarantees, on behalf of our Company, to third parties that are outstanding as of the date of this Draft Red Herring Prospectus

Sl. no	Name of the Guarantor	Relation with the Company	Type of Guarantee	Obligations on the Company	Period till which the guarantee is valid	Amount sanctioned (₹ in million) *	Financial implications in case of default	Security in relation to this facility	Consideration (₹ in million)
1	Ramakrishna Kamojhala	Promoter and Whole-time Director	Personal guarantee in favor of the Company and its Material Subsidiary.	Nil	Till the closure of loans borrowed	800.00	The guarantors will be jointly and severally liable for repayment of loan including any outstanding interest and penalties.	Personal assets of guarantors	2.10
2	Anil Kumar P	Promoter and Chairman and Managing Director	Personal guarantee in favor of the Company and its Material Subsidiary.	Nil	Till the closure of loans borrowed	800.00	The guarantors will be jointly and severally liable for repayment of loan including any outstanding interest and penalties.	Personal assets of guarantors	2.10
3	Preetham S V	Promoter and Whole-time Director	Personal guarantee in favor of the Company and its Material Subsidiary.	Nil	Till the closure of loans borrowed	800.00	The guarantors will be jointly and severally liable for repayment of loan including any outstanding interest and penalties.	Personal assets of guarantors	2.10
4	Rajanikanth Balaraman	Promoter and Whole-time Director	Personal guarantee in favor of the Company and its Material Subsidiary.	Nil	Till the closure of loans borrowed	800.00	The guarantors will be jointly and severally liable for repayment of loan including any outstanding interest and penalties.	Personal assets of guarantors	2.10
5	Mani P	Promoter and Whole-time Director	Personal guarantee in favor of the Company and its Material Subsidiary.	Nil	Till the closure of loans borrowed	800.00	The guarantors will be jointly and severally liable for repayment of loan including any outstanding interest and penalties.	Personal assets of guarantors	2.10

Details of shareholders' agreements

As on the date of this Draft Red Herring Prospectus, except as stated below, our Company does not have any subsisting shareholder's agreements.

***Shareholders' agreement dated July 16, 2024 ("SHA"), entered into by and amongst our Promoters, our Company, ValueQuest SCALE Fund (a scheme of ValueQuest Alternate Investment Trust) ("ValueQuest"), Steadview Capital Mauritius Limited ("Steadview") and Evolvence India Fund IV Ltd ("Evolvence", collectively, the "Investors")**,*

Pursuant to the SHA, the Investors have *inter alia* acquired the following rights in respect of our Company:

(a) *pre-emptive rights*: In the event our Company issues any securities other than as contemplated in the SSA, to any person, our Company must provide the Investors, the right but not an obligation to participate in such proposed issuance to the extent set out therein. However, our Company is exempt from providing such pre-emptive rights to the Investors if the issuance of securities is pursuant to public offer on account of any initial public offering ("**IPO**") or any pre-IPO placement in connection therewith undertaken by way of a fresh issue;

(b) *anti-dilution rights*: In the event our Company issues any securities at a price per lower than the price at which the securities held by the Investors were subscribed, then it shall be entitled to a broad based weighted average anti-dilution protection in terms of the SHA;

(c) *tag-along right*: In the event our Promoters intends to transfer any its securities ("**Offered Securities**") to the Promoter Transferee, the Investors shall have the right but not the obligation to require our Promoters to ensure that the Promoter Transferee purchases its respective pro-rata portion of the tag shares along with the Offered Securities being transferred by our Promoters at the same terms as offered by our Promoter for the Offered Securities. However, the tag-along right shall not be available with the Investors in connection with any IPO or a pre-IPO placement.;

(d) *board nomination right*: The Board of our Company shall consist of: (i) not more than 14 directors, which shall include five Promoters or nominees of the Promoters; (ii) one Director each nominated by ValueQuest and Evolvence for so long as they hold 1.6% of the issued share capital of our Company on a fully diluted basis, if nominated; and (iii) up to seven independent directors appointed in compliance with Applicable Laws. However, the board nomination rights of ValueQuest and Evolvence shall be with effect from October 1, 2025, or the date on which our Company determines that it shall not conduct IPO of its securities and withdraws any draft red herring prospectus filed by it with no intention of refiling the same, whichever is earlier;

(e) *observer right*: Each Investor shall be entitled to appoint one observer to the Board till the time that (in case of ValueQuest and Evolvence) such Investor has not appointed any director on the Board;

In terms of the SHA, our Company is required to provide an exit to the Investors by way of an IPO no later than March 31, 2026 ("**Long Stop Date**"). In the event, our Company is unable to provide exit to the Investors within the Long Stop Date, our Company shall provide them exit by way of third-party sale or Company or Promoter buyback ("**Additional Exit Options**") or a combination thereof on or before March 31, 2028, in the manner set out the SHA. In the event that our Company is unable to provide an exit to the Investors by way of the Additional Exit Options, it shall provide an exit through a strategic sale of securities as set out in the SHA. However, the rights of the investors to receive an exit through strategic sale shall cease to be in effect on and from the date on which our Company files the draft red herring prospectus in connection with its proposed IPO but shall be made effective again if the draft red herring prospectus so filed is withdrawn with no intention of refiling the same.

Further, all the rights of the Parties as contemplated in the SHA shall fall away in its entirety on the listing date, unless required to be terminated earlier due to a mandatory operation of Applicable Laws. In the event that any of the rights available to the Parties cease to be available as a result of the IPO not completed, or our Company decides not to proceed with the IPO, all of the rights of the Parties shall immediately stand automatically reinstated, with full force and effect.

Share subscription agreement dated July 16, 2024 ("SSA"), entered into by and amongst our Promoters, our Company, ValueQuest SCALE Fund (a scheme of ValueQuest Alternate Investment Trust), Steadview Capital Mauritius Limited and Evolvence India Fund IV Ltd ("collectively, "Investors")

Pursuant to the SSA, the Investors agreed to collectively subscribe 3,667,090 Equity Shares of face value of ₹ 5 each of the Company for an aggregate consideration of ₹ 2,500.00 million, on a preferential basis. In terms of the SSA, the Investors agreed to certain actions being undertaken by the Company between the effective date and closing date of the SSA, including, preparation and approval of such financial statements as may be necessary for the purposes of preparing the draft red herring prospectus, red herring prospectus and prospectus, amendments to the charter documents of the Company and its subsidiaries, as may be required and amendments to the board of directors of the Company and its Subsidiaries, as may be required for the purposes of the Offer. The valuation report has been included as part of the "***Material Contracts and Documents for Inspection***" on page 395.

Other agreements

Neither our Promoters nor any of the Key Managerial Personnel, members of Senior Management, Directors or employees of our Company have entered into an agreement, 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 the dealings of the securities of our Company.

Except as disclosed in this Draft Red Herring Prospectus, there are no other agreements, arrangements, clauses, covenants which are material, and which are required to be disclosed. Further, there are no other clauses or covenants which are material, adverse or pre-judicial to the interest of the minority/public shareholders or the non-disclosure of which may have bearing on the investment decision.

Holding company

As on the date of this Draft Red Herring Prospectus, our Company has no holding company.

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our company has two subsidiaries, namely Innomech Aerospace Toolings Private Limited and Unimech Global Manufacturing Solutions Inc. ("**Subsidiaries**"), details of which have been provided below:

Innomech Aerospace Toolings Private Limited

Corporate Information

Innomech Aerospace Toolings Private Limited was incorporated as a private limited company under the Companies Act on October 26, 2018. Its corporate identification number is U29200KA2018PTC118006. It has its registered office at Plot No.3, Sy. No. 2l-P, Aerospace SEZ Sector, Hitech Defence & Aerospace Park, Kavadadasanahalli, Devanahalli Taluk, Bengaluru – 562 135, Karnataka, India.

Nature of Business

Innomech Aerospace Toolings Private Limited is engaged in the business of manufacturing products and components to be used in aerospace sector and to construct facility and set up plant and machinery capable of manufacturing of aerospace sector and to deal in, trade, market, purchase, import, sell, distribute and export parts, components, accessories, equipment, systems and sub-systems and products to be used in aerospace sector or other related sectors as the company may deem fit.

Capital Structure

The authorised share capital of Innomech Aerospace Toolings Private Limited is ₹ 20,000,000 divided into 200,000 equity shares of ₹100 each and its issued and paid-up share capital is ₹10,100,000 divided into 101,000 equity shares of ₹100 each.

Unimech Global Manufacturing Solutions Inc.

Unimech Global Manufacturing Solutions Inc. was incorporated under the Delaware General Corporation Law on May 29, 2024. It has its registered office at 16912 Coastal Highway, Lewes, Delaware 19558, County of Sussex, Delaware. Our Company has taken on record the incorporation of this subsidiary by way of its board resolution dated June 22, 2024.

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of our Subsidiaries, which are not accounted for by our Company.

Common Pursuits

Our Subsidiaries are engaged in the similar line of business as that of our Company, thereby resulting in certain common pursuits with our Company. Our Company shall adopt necessary procedures and practises as permitted by law and regulatory guidelines to address any instances of conflict, if and when they arise.

Shareholding

As of the date of this Draft Red Herring Prospectus, the shareholding pattern of our Subsidiaries are as follows:

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
Innomech Aerospace Toolings Private Limited		
Unimech Aerospace and Manufacturing Limited	100,999	100.00
Anil Kumar P (as a nominee of Unimech Aerospace and Manufacturing Limited)	1	Negligible
Unimech Global Manufacturing Solutions Inc.		
Nil*	0	Nil

**As on the date of this DRHP, there has been no capital infusion in Unimech Global Manufacturing Solutions Inc.*

Business interest in our Company

Except as stated in "***Offer Document Summary – Related Party Transactions***", "***Our Business***" and "***Restated Consolidated Financial Information***" on pages 18, 180 and 242, respectively, our Subsidiaries does not have any business interest in our Company.

Other confirmations

Our Subsidiaries are not listed on any stock exchange in India or abroad.

Further, neither have any of our Subsidiaries been refused listing since incorporation by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

Our Joint Ventures and Associate Companies

Our Company does not have any joint ventures or associate companies as on the date of this Draft Red Herring Prospectus.

OUR MANAGEMENT

Board of Directors

The Articles of Association require that our Board shall comprise not less than three Directors and not more than 15 Directors. As on the date of filing this Draft Red Herring Prospectus, we have 10 Directors on our Board, of whom, five are Independent Directors (including one woman director). Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details of our Board as on the date of this Draft Red Herring Prospectus:

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
Anil Kumar P *Designation*: Chairman and Managing Director *Date of birth*: June 10, 1981 *Address*: E 721, Cedar Block, Brigade Orchards, Devanahalli, Bengaluru Rural – 562110, Bangalore Rural, Karnataka, India *Occupation*: Business *Current term*: For a period of five years with effect from April 30, 2024, not liable to retire by rotation *Period of directorship*: Since September 1, 2018 *DIN*: 07683267	43	*Indian companies:* • Innomech Aerospace Toolings Private Limited *Foreign companies* • Nil
Ramakrishna Kamojhala *Designation*: Whole-time Director and Chief Financial Officer *Date of birth*: December 24, 1977 *Address*: 134, 3rd Cross, 5th Main, KSRTC Layout, Chikkalasandra, Bangalore South, Subramanyapura Bangalore, Karnataka – 560061, India *Occupation*: Service *Current term*: For a period of five years with effect from April 30, 2024, liable to retire by rotation *Period of directorship*: Since July 31, 2017 *DIN*: 07004517	46	*Indian companies:* • Innomech Aerospace Toolings Private Limited *Foreign companies* • Nil
Mani P *Designation*: Whole-time Director *Date of birth*: December 26, 1976 *Address*: No. 628, Phase 4 Gagan Nilayam, Raheja Jade Garden, Near Club Cabana, Sadahalli, Devenahalli – 562110, Bangalore Rural, Karnataka, India. *Occupation*: Business	47	*Indian companies:* • Innomech Aerospace Toolings Private Limited *Foreign companies* • Nil

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
Current term: For a period of five years with effect from April 30, 2024, liable to retire by rotation *Period of directorship*: Since September 1, 2018 *DIN*: 08042129		
Rajanikanth Balaraman *Designation*: Whole-time Director *Date of birth*: April 26, 1976 *Address*: 511, Athreya 4th Cross, 3rd Stage, 3rd Block 3rd Phase, Banashankari, South Bangalore, Bangalore – 560 085, Karnataka, India. *Occupation*: Business *Current term*: For a period of five years with effect from April 30, 2024, liable to retire by rotation *Period of directorship*: Since July 31, 2017 *DIN*: 07894421	48	*Indian companies:* • Innomech Aerospace Toolings Private Limited *Foreign companies* • Nil
Preetham S V *Designation*: Whole-time Director *Date of birth*: September 1, 1979 *Address*: 406, 4th Floor, Parvatha Krishna Homes, Ramachandrappa Layout Gubbalala, Vasanthapura, Subramanyapura, Bengaluru - 560 061, Bengaluru, Karnataka, India. *Occupation*: Business *Current term*: For a period of five years with effect from April 30, 2024, liable to retire by rotation *Period of directorship*: Since December 17, 2016 *DIN*: 07683268	44	*Indian companies:* • Innomech Aerospace Toolings Private Limited *Foreign companies* • Nil
Mukund Srinath *Designation*: Independent Director *Date of birth*: November 26, 1960 *Address*: Sobha Morzaria Grandeur – A2-143, No. 4, Bannerghatta Main Road, Next to Oracle and Accenture Offices, Bangalore Dairy Circle, Bangalore South – 560 029, Bengaluru, Karnataka, India. *Occupation*: Professional *Current term*: For a period of five years with effect from July 3, 2024 *Period of directorship*: Director since July 3, 2024	63	*Indian companies:* • Nil *Foreign companies* • Nil

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
DIN: 00025017		
Ashok Tandon *Designation*: Independent Director *Date of birth*: April 26, 1955 *Address*: No. 77, Phase 2, Cascading Meadows, T C palya, Maragondanahalli, k r puram, Bangalore North – 560 036, Bangalore, Karnataka, India *Occupation*: Professional *Current term*: For a period of five years with effect from July 3, 2024 *Period of directorship*: Director since July 3, 2024 *DIN*: 06534280	69	*Indian companies:* • Nil *Foreign companies* • Nil
Vidya Rajarao *Designation*: Independent Director *Date of birth*: April 4, 1972 *Address*: Apt-2B, 1st Floor, No.33 Sydney Court 7th Cross, Lavelle Road, Bangalore North – 560 001, Bengaluru, Karnataka, India *Occupation*: Professional *Current term*: For a period of five years with effect from July 3, 2024 *Period of directorship*: Director since July 3, 2024 *DIN*: 07878459	52	*Indian companies:* • RSB Transmissions (I) Ltd • Fraudopedia Private Limited *Foreign companies* • Nil
Pavan Krishnamurthy *Designation*: Independent Director *Date of birth*: May 4, 1971 *Address*: 6th Main 4th Phase, 7th Block, BSK 3rd Stage, Bangalore South, Banashankari III Stage – 560 085, Bengaluru, Karnataka, India *Occupation*: Professional *Current term*: For a period of five years with effect from July 3, 2024 *Period of directorship*: Director since July 3, 2024 *DIN*: 00579613	53	*Indian companies:* • Imperial Hospital and Research Centre Limited • Sitara Advisory Services Private Limited • Sakhatech Information Systems Private Limited • Apollo Home Healthcare Limited *Foreign companies* • Nil
Sridhar Ranganathan *Designation*: Independent Director	54	*Indian companies:* • Pristine Concepts Private Limited

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
Date of birth: January 11, 1970 *Address*: 3A, Golden Kingsmead, 3, TAS Enclave, 10th Main Road, Anna Nagar – 600 040, Chennai, Tamil Nadu, India *Occupation*: Professional *Current term*: For a period of five years with effect from July 3, 2024 *Period of directorship*: Director since July 3, 2024 *DIN*: 07637826		• Upceed Consulting Services Private Limited • Helyxon Promed India Private Limited • Helyxon Healthcare Solutions Private Limited • Helyxon Medtech Private Limited • Innomech Aerospace Toolings Private Limited *Foreign companies* • Nil

Brief profiles of our Directors

Anil Kumar P is a Chairman and Managing Director and one of the Promoters of our Company. He has been associated with our Company since September 1, 2018 and is responsible for the business development functions in our Company. He holds a diploma in mechanical engineering (GL) from Board of Technical Examinations, Government of Karnataka and a bachelor's degree of technology in mechanical engineering (computer integrated manufacturing) from Indira Gandhi National Open University, New Delhi. Prior to joining our Company, he was associated with Quality Engineering & Software Technologies Private Limited in the capacity of Project Manager, CIM Tools Private Limited in the capacity of computer - aided manufacturing (**CAM**) - computer-aided design (**CAD**) engineer and INCITE CAM Centre in the capacity of Team Leader – CAM division. He has over 20 years of experience in the manufacturing sector.

Ramakrishna Kamojhala is a Whole-time Director, the Chief Financial Officer and one of the Promoters of our Company. He is responsible for finance and compliance functions in our Company. He has been associated with our Company since July 31, 2017. He is fellow member of the Institute of Chartered Accountants of India, Institute of Cost and Works Accountants of India and Institute of Company Secretaries of India He holds a master's degree in business administration from National Institute of Business Management, Chennai, Tamil Nadu. He also participated in the Middle Management Programme of the 3-Tier Programme for Management Development organised by Indian Institute of Management, Ahmedabad. Prior to joining our Company he was associated with International Aerospace Manufacturing Private Limited as a company secretary. He has over 13 years of experience in the financial and secretarial field in the aerospace manufacturing sector.

Mani P is a Whole-time Director and one of the Promoters of our Company. He has been associated with our Company since September 1, 2018. He is responsible for business operation functions in our Company. He holds a bachelor's degree of technology in mechanical engineering (computer integrated manufacturing) from Indira Gandhi National Open University, New Delhi and a master's degree in business administration from Toulouse Business School, France. Prior to joining our Company, he was associated with International Aerospace Manufacturing Private Limited in the capacity of Production Manager, with Goodrich Aerospace Services Private Limited in the capacity of Operations Supervisor and with Maini Precisions Products Private Limited as deputy manager - engineering. He has over 19 years of experience in business operations.

Rajanikanth Balaraman is a Whole-time Director and one of the Promoters of our Company. He has been associated with our Company since July 31, 2017. He is responsible for the growth, information technology and business development functions of the Company. He holds a bachelor's degree in engineering from Bangalore University, Karnataka. Prior to joining our Company, he has worked with Integral Logic Private Limited in the capacity of Software Engineer, Robert Bosch India Limited in the capacity of Technical Manager, Datanet Corporation Limited in the capacity of software engineer and National Instruments Systems (India) Private Limited in the capacity of project manager and managing director. He has over 26 years of experience in software engineering.

Preetham S V is a Whole-time Director and one of the Promoters of our Company. He has been associated with our Company since December 17, 2016. He is responsible for the People and key account management functions of the Company. He holds a bachelor's degree in engineering in industrial production from Kuvempu University, Karnataka. Prior to joining our Company, he was associated with Quality Engineering and Software Technologies Private Limited in the capacity of project leader, Wipro Limited in the capacity of executive – business operations and Affiliated Computer Services of India Private Limited in the capacity of software quality analyst. He has over 19 years of experience in the field of manufacturing.

Mukund Srinath is an Independent Director of our Company. He has been associated with our Company since July 3, 2024. He is fellow member of the Institute of Company Secretaries of India, He holds a bachelor's degree in commerce, bachelor's in laws from Bangalore University, Karnataka. Prior to joining our Company, he was associated with Capgemini Technologies Services India Limited in the capacity as vice president. Previously, he was also associated with Pantape Magnetics Limited, SmithKline Beecham Pharmaceuticals Limited, BMD Foundry Machinery Limited, BPL Sanyo Technology Limited. He has over 34 years of experience in the field of legal and secretarial areas.

Ashok Tandon is an Independent Director of our Company. He has been associated with our Company since July 3, 2024. He is fellow member of the Institute of Company Secretaries of India. He holds a bachelor's degree in commerce from St. John's College, Agra University, Uttar Pradesh and diploma for Bachelor of Laws from Utkal University, Bhubaneshwar, Orissa. Prior to joining our Company, he was associated with Nandganj Sihori Sugar Company Limited, HMT Limited, Triveni Structurals Limited, Phosphates Limited, National Aluminium Company Limited, and superannuated from Hindustan Aeronautics Limited in the capacity as an executive director (company secretary). He has over 32 years of experience in the field of legal and corporate secretarial areas.

Vidya Rajarao is an Independent Director of our Company. She has been associated with our Company since July 3, 2024. She is also an associate member of the Institute of Chartered Accountants of India. She holds a bachelor's degree in commerce from Bangalore University, Karnataka. She has received accreditation of certified fraud examiner from Associate of Certified Fraud Examiners. Since July 2017, she is associated with RSB Transmissions (I) Ltd and is currently on its board as non-executive independent director. Further, since September 2020, she is associated with Fraudopedia Private Limited and is currently on the board as director.

Pavan Krishnamurthy is an Independent Director of our Company. He has been associated with our Company since July 3, 2024. He is also an associate member of the Institute of Chartered Accountants of India. Since July 2017, he is associated with Sakhatech Information Systems Private Limited and is currently on the board as their director. Also, since August 2016, he is associated with Cocreate Venture Technology LLP as designated partner. He is also currently on the board of Imperial Hospital and Research Centre Limited, Sitara Advisory Services Private Limited and Apollo Home Healthcare Limited.

Sridhar Ranganathan is an Independent Director of our Company. He has been associated with our Company since July 3, 2024. He holds a degree in Executive MBA from Manipal Academy of Higher Education. He is currently a member of the steering committee (HRD) in the Department of Biotechnology (DBT), Ministry of Science and Technology, Government of India. Since January 2020, he is associated with Upceed Consulting Services Private Limited and Helyxon Promed India Private Limited and is currently on their board as director. He is also currently on the board of Pristine Concepts Private Limited, , Helyxon Medtech Private Limited and Helyxon Healthcare Solutions Private Limited.

Details of directorship in companies suspended or delisted

None of our Directors is or was a director of any listed company, whose shares have been or were suspended from being traded on any stock exchanges, in the last five years prior to the date of this Draft Red Herring Prospectus, during the term of their directorship in such company.

Further, none of our Directors is, or was, a director of any listed company, which has been or was delisted from any stock exchange during the term of their directorship in such company.

Relationships amongst our Directors and our Directors and Key Managerial Personnel or Senior Management

Except as stated below, none of our Directors are related to each other (as defined in the Companies Act, 2013), nor are any of our Directors related to any of our Key Managerial Personnel or Senior Management.

Name of Director / Key Managerial Personnel / Senior Management	Name of related Director / Key Managerial Personnel / Senior Management	Relationship
Anil Kumar P	Mani P	Brothers

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others. For further details, see "***History and Certain Corporate Matters – Details of shareholders' agreements***" on page 212.

Service contracts with Directors

Our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

Borrowing Powers

In accordance with our Articles of Association and the applicable provisions of the Companies Act, and pursuant to a special resolution of our Shareholders dated June 22, 2024, our Board is authorised to borrow for the purpose of the business of our Company as and when required, including without limitation, from any Banks and/or public financial institutions as defined under Section 2(72) of the Companies Act, 2013 and/or any foreign financial institution(s) or foreign banks and/or any entity/entities or authority/authorities and/or through suppliers credit, Securities including FCCBs, FCBs, ECB, instruments such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, long term loans, short term loans or any other instruments, etc. and/or through credit from official agencies and/ or by way of commercial borrowings from the private sector window of multilateral financial institution(s), firms, bodies corporate either in rupees or in such other foreign currencies as may be permitted by law from time to time, whether secured or unsecured as may be deemed appropriate by the Board of Directors for an aggregate amount not exceeding ₹ 5,000.00 million over and above the aggregate of the paid up capital of the Company and free reserves notwithstanding that monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) of the aggregate of the paid up capital Company and free reserves as per the provision of law.

Terms of appointment of our Directors

a) **Terms of employment of our Executive Directors**

i) Anil Kumar P

Anil Kumar P was appointed as the Chairman and Managing Director of our Company pursuant to a resolution passed by our Board on April 30, 2024 and by our Shareholders in the extra ordinary general meeting dated June 22, 2024, for a period of five years with effect from April 30, 2024. He is entitled to a variable pay or incentive as may be decided by the Nomination and Remuneration Committee based on his performance and the Company at the consolidated level for a period of first three years with effect from April 30, 2024. Details with respect to terms of employment of Anil Kumar P have been set out in the appointment employment letter as referred to in the foregoing shareholders' resolution. For further details with respect to remuneration payable to him by our Material Subsidiary, please see " ***– Remuneration paid or payable to the Directors from the Material Subsidiary***".

ii) Ramakrishna Kamojhala

Ramakrishna Kamojhala was appointed as the Whole-time Director of our Company pursuant to a resolution passed by our Board on April 30, 2024 and by our Shareholders in the extra ordinary general meeting dated June 22, 2024, for a period of five years with effect from April 30, 2024. He is entitled to a variable pay or incentive as may be decided by the Nomination and Remuneration Committee based on his performance and the Company at the consolidated level for a period of first three years with effect from April 30, 2024. Details with respect to terms of employment of Ramakrishna Kamojhala have been set out in the appointment employment letter as referred to in the foregoing shareholders' resolution. For further details with respect to remuneration payable to him by our Material Subsidiary, please see " – ***Remuneration paid or payable to the Directors from the Material Subsidiary***".

iii) Mani P

Mani P was appointed as the Whole-time Director of our Company pursuant to a resolution passed by our Board on April 30, 2024 and by our Shareholders in the extra ordinary general meeting dated June 22, 2024, for a period of five years with effect from April 30, 2024. He is entitled to a variable pay or incentive as may be decided by the Nomination and Remuneration Committee based on his performance and the Company at the consolidated level for a period of first three years with effect from April 30, 2024. Details with respect to terms of employment of Mani P have been set out in the appointment employment letter as referred to in the foregoing shareholders' resolution. For further details with respect to remuneration payable to him by our Material Subsidiary, please see " ***– Remuneration paid or payable to the Directors from the Material Subsidiary***".

iv) Rajanikanth Balaraman

Rajanikanth Balaraman was appointed as the Whole-time Director of our Company pursuant to a resolution passed by our Board on April 30, 2024 and by our Shareholders in the extra ordinary general meeting dated June 22, 2024, for a period of five years with effect from April 30, 2024. He is entitled to a variable pay or incentive as may be decided by the Nomination and Remuneration Committee based on his performance and the Company at the consolidated level for a period of first three years with effect from April 30, 2024. Details with respect to terms of employment of Rajanikanth Balaraman have been set out in the appointment employment letter as referred to in the foregoing shareholders' resolution. For further details with respect to remuneration payable to him by our Material Subsidiary, please see " ***– Remuneration paid or payable to the Directors from the Material Subsidiary***".

v) Preetham S V

Preetham S V was appointed as the Whole-time Director of our Company pursuant to a resolution passed by our Board on April 30, 2024 and by our Shareholders in the extra ordinary general meeting dated June 22, 2024, for a period of five years with effect from April 30, 2024. He is entitled to a variable pay or incentive as may be decided by the Nomination and Remuneration Committee based on his performance and the Company at the consolidated level for a period of first three years with effect from April 30, 2024. Details with respect to terms of employment of Preetham S V have been set out in the appointment employment letter as referred to in the foregoing shareholders' resolution. For further details with respect to remuneration payable to him by our Material Subsidiary, please see " ***– Remuneration paid or payable to the Directors from the Material Subsidiary***".

b) **Sitting fees and commission to Independent Directors**

Pursuant to a resolution of our Board dated July 3, 2024, our Independent Directors are entitled to receive sitting fees of ₹ 0.10 million for attending each meeting of our Board and sitting fees of ₹ 0.05 million for attending each meeting of any duly constituted committee of our Board.

Payments or benefits to our Directors

a) **Executive Directors**

The table below sets forth the details of the remuneration (including consultancy fees, salaries and perquisites) paid to our Executive Directors by our Material Subsidiary for Fiscal 2024:

Sr. No.	Name of the Executive Director	Remuneration for Fiscal 2024* (in ₹ million)
1.	Anil Kumar P	12.80
2.	Ramakrishna Kamojhala	17.61^
3.	Mani P	12.80
4.	Rajanikanth Balaraman	12.80
5.	Preetham S V	12.80

**Excluding guarantee commission worth ₹ 2.10 million each given to all the Executive Directors from Material Subsidiary.*
^Includes remuneration of ₹ 9.71 million paid by our Company.

b) **Independent Directors**

Since our Independent Director were appointed in Fiscal 2025, our Independent Directors were not paid any sitting fees or commission in Fiscal 2024

Contingent and deferred compensation payable to the Directors

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

Remuneration paid or payable to the Directors from the Material Subsidiary

Our Executive Directors, as disclosed below, were appointed as the directors of our Material Subsidiary pursuant to a resolution passed by the board of directors of our Material Subsidiary on April 30, 2024 and a resolution passed by the shareholders of our Material Subsidiary on April 30, 2024. For details related to remuneration paid to the Directors from our Material Subsidiary, please see "***Payments or benefits to our Directors – Executive Directors***". The details of the remuneration from our Material Subsidiary that they are presently entitled to, and the other terms of their employment are enumerated below:

i) Anil Kumar P

Anil Kumar P is entitled to following remuneration and other employee benefits for a period of first three years with effect from April 30, 2024:

Salary and Allowance	6.00 million per annum with an annual increment up to 15% per annum

Housing Rent Allowance	2.40 million per annum with an annual increment up to 15% per annum
Special Allowance	9.60 million per annum with an annual increment up to 15% per annum
Variable Pay	As may be decided by the Nomination and Remuneration Committee based on the performance of him and the Company at the consolidated level from holding and material subsidiary
Provident Fund & Gratuity	0.30 million per annum with an annual increment up to 15% per annum

ii) Ramakrishna Kamojhala

Ramakrishna Kamojhala is entitled to following remuneration and other employee benefits for a period of first three years with effect from April 30, 2024:

Salary and Allowance	6.00 million per annum with an annual increment up to 15% per annum
Housing Rent Allowance	2.40 million per annum with an annual increment up to 15% per annum
Special Allowance	6.00 million per annum with an annual increment up to 15% per annum
Variable Pay	As may be decided by the Nomination and Remuneration Committee based on the performance of him and the Company at the consolidated level from holding and material subsidiary
Provident Fund & Gratuity	0.30 million per annum with an annual increment up to 15% per annum

iii) Mani P

Mani P is entitled to following remuneration and other employee benefits for a period of first three years with effect from April 30, 2024:

Salary and Allowance	6.00 million per annum with an annual increment up to 15% per annum
Housing Rent Allowance	2.40 million per annum with an annual increment up to 15% per annum
Special Allowance	6.00 million per annum with an annual increment up to 15% per annum
Variable Pay	As may be decided by the Nomination and Remuneration Committee based on the performance of him and the Company at the consolidated level from holding and material subsidiary
Provident Fund & Gratuity	0.3 million per annum with an annual increment up to 15% per annum

iv) Rajanikanth Balaraman

Rajanikanth Balaraman is entitled to following remuneration and other employee benefits for a period of first three years with effect from April 30, 2024:

Salary and Allowance	6.00 million per annum with an annual increment up to 15% per annum
Housing Rent Allowance	2.40 million per annum with an annual increment up to 15% per annum
Special Allowance	6.00 million per annum with an annual increment up to 15% per annum
Variable Pay	As may be decided by the Nomination and Remuneration Committee based on the performance of him and the Company at the consolidated level from holding and material subsidiary
Provident Fund & Gratuity	0.30 million per annum with an annual increment up to 15% per annum

v) **Preetham S V**

Preetham S V is entitled to following remuneration and other employee benefits for a period of first three years with effect from April 30, 2024:

Salary and Allowance	6.00 million per annum with an annual increment up to 15% per annum
Housing Rent Allowance	2.40 million per annum with an annual increment up to 15% per annum
Special Allowance	6.00 million per annum with an annual increment up to 15% per annum
Variable Pay	As may be decided by the Nomination and Remuneration Committee based on the performance of him and the Company at the consolidated level from holding and material subsidiary
Provident Fund & Gratuity	0.30 million per annum with an annual increment up to 15% per annum

Bonus or profit-sharing plan for our Directors

Except for the bonus provision provided for Executive Directors, which amounts to ₹ 6.48 million from our Company and ₹ 128.43 million from our Material Subsidiary and as disclosed in "*-**Terms of Appointment of our Directors***" on page 220, none of our Directors are party to any performance linked bonus or a profit-sharing plan of our Company.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares.

The table below sets forth details of Equity Shares held by the Directors as on date of this Draft Red Herring Prospectus:

Name	No. of Equity Shares	Percentage of the pre-Offer paid up share capital (%)	Percentage of the post-Offer paid up share capital (%)*
Anil Kumar P	13,344,200	27.99	[●]
Ramakrishna Kamojhala	7,879,620	16.53	[●]
Mani P	7,879,620	16.53	[●]
Rajanikanth Balaraman	7,879,620	16.53	[●]
Preetham S V	5,253,360	11.02	[●]

* *Subject to finalisation of Basis of Allotment.*

Interest of Directors

All our Directors may be deemed to be interested to the extent of sitting fees and commission, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration, commission (including the guarantee commission received from the Material Subsidiary) and reimbursement of expenses, if any, payable to them by our Company or Material Subsidiary. For details, see "***Our Management– Remuneration paid or payable to the Directors from subsidiary***" on page 221.

Our Directors may also be interested to the extent of guarantees provided by them on behalf of our Company to third parties. For details, see **"*History and Certain corporate Matters - Guarantees provided to third parties by our Promoter offering their Equity Shares in the Offer for Sale*"** on page 210**.**

Our Directors may also be regarded as interested to the extent of the Equity Shares, if any, held by them and to the extent of any dividend payable to them and other distributions in respect of these Equity Shares. For details regarding the shareholding of our Directors, see "***Our Management– Shareholding of Directors in our Company***" on page 223.

Our Directors excluding the Independent Directors are interested in the promotion of our Company. For details regarding the promotion of our Directors, see "– ***Our Promoters***" section on page 235.

Our Directors shall not participate in the Offer, except by way of participation of the Promoter Selling Shareholders in the Offer for Sale.

Except as disclosed in "***History and Certain Corporate Matters – Business transfer agreement dated November 1, 2017, between M/s. Unimech Consulting Engineers and our Company***" on page 210, our Directors do not have any interest in any property acquired or proposed to be acquired by our Company.

Except in the ordinary course of business and as disclosed in "***Related Party Transactions***" at page 292, our Directors do not have any other business interest in our Company.

Other confirmations

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a Director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Changes to our Board in the last three years

Except as mentioned below, there have been no changes in our Directors in the last three years:

Name	Date of appointment / change in designation / cessation	Reason
Anil Kumar P	April 30, 2024	Change in designation as Chairman and Managing Director
Ramakrishna Kamojhala	April 30, 2024	Change in designation as Whole-time Director
Mani P	April 30, 2024	Change in designation as Whole-time Director
Rajanikanth Balaraman	April 30, 2024	Change in designation as Whole-time Director
Preetham S V	April 30, 2024	Change in designation as Whole-time Director
Mukund Srinath	July 3, 2024	Appointed as Independent Director
Ashok Tandon	July 3, 2024	Appointed as Independent Director
Vidya Rajarao	July 3, 2024	Appointed as Independent Director
Pavan Krishnamurthy	July 3, 2024	Appointed as Independent Director
Sridhar Ranganathan	July 3, 2024	Appointed as Independent Director

Note: *This table does not include details of regularisations of additional Directors.*

Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable requirements for corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, including those pertaining to the constitution of the Board and committees thereof.

As on the date of filing this Draft Red Herring Prospectus, we have 10 Directors on our Board, of whom five are Independent Directors.

Committees of our Board

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board committees:

(a) Audit Committee;

(b) Nomination and Remuneration Committee;

(c) Stakeholders' Relationship Committee;

(d) Corporate Social Responsibility Committee; and

(e) Risk Management Committee.

(a) Audit Committee

The Audit Committee was constituted by a resolution of our Board dated July 3, 2024. It is in compliance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The current constitution of the Audit committee is as follows:

Name of Director	Position in the Committee	Designation
Vidya Rajarao	Chairperson	Independent Director
Ashok Tandaon	Member	Independent Director
Pavan Krishnamurthy	Member	Independent Director

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. Its terms of reference are as follows:

(i) The Audit Committee shall have powers, which should include the following:

(a) To investigate any activity within its terms of reference;

(b) To seek information from any employee of the Company;

(c) To obtain outside legal or other professional advice;

(d) To secure attendance of outsiders with relevant expertise if it considers necessary; and

(e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

(ii) The role of the Audit Committee shall include the following:

(a) Oversight of the Company's financial reporting process, examination of the financial statements and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

(b) Recommendation to the board of directors for appointment, re-appointment and replacement, removal, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, or any other external auditor, of the Company and the fixation of audit fees and approval for payment for any other services;

(c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(i) 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;

(ii) Changes, if any, in accounting policies and practices and reasons for the same;

(iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;

(iv) Significant adjustments made in the financial statements arising out of audit findings;

(v) Compliance with listing and other legal requirements relating to financial statements;

(vi) Disclosure of any related party transactions; and

(vii) Qualifications / modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;

(f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

(j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(k) Scrutiny of inter-corporate loans and investments;

(l) Valuation of undertakings or assets of the company, wherever it is necessary;

(m) Evaluation of internal financial controls and risk management systems;

(n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(p) Discussion with internal auditors of any significant findings and follow up there on;

(q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(r) 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;

(s) Looking 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;

(t) Reviewing the functioning of the whistle blower mechanism;

(u) Approval of the appointment of the Chief Financial Officer of the Company ("**CFO**") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function and who will be designated as the CFO of the Company) after assessing the qualifications, experience and background, etc., of the candidate;

(v) Carrying out any other functions as provided under or required to be performed by the audit committee under the provisions of the Companies Act, the SEBI Listing Regulations and other applicable laws;

(w) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;

(x) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

(y) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

(z) Reviewing 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 per the SEBI Listing Regulations;

(aa) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation *etc.*, on the listed entity and its shareholders; and

(bb) Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.

(iii) 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 of the Company;

(c) Internal audit reports relating to internal control weaknesses;

(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:

i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

ii. annual statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and

(f) Review the financial statements, in particular, the investments made by any unlisted subsidiary.

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

The Audit Committee is required to meet at least four times in a year under Regulation 18(2)(a) of the SEBI Listing Regulations. The quorum for a meeting of the Audit Committee shall be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

(b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted by a resolution of our Board dated July 3, 2024. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations. The current constitution of the Nomination and Remuneration Committee is as follows:

Name of Director	Position in the Committee	Designation
Mukund Srinath	Chairperson	Independent Director
Ashok Tandon	Member	Independent Director
Sridhar Ranganathan	Member	Independent Director

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013, read with Regulation 19 of the SEBI Listing Regulations. Its terms of reference are as follows:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(i) 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;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

(b) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:

   (i) use the services of any external agencies, if required;

   (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

   (iii) consider the time commitments of the candidates.

(c) Formulation of criteria for evaluation of performance of independent directors and the Board;

(d) Devising a policy on Board diversity;

(e) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(f) Analysing, monitoring and reviewing various human resource and compensation matters;

(g) Determining the Company’s policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(h) Recommending to the Board the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);

(i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(j) Determining 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;

(k) Perform such functions as are 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;

(l) Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan (“**ESOP Scheme**”) and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

(m) Framing 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, as amended; and

   b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable;

(n) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

(o) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Nomination and Remuneration Committee is required to meet at least once in a year under Regulation 19(3A) of the SEBI Listing Regulations.

The quorum for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members of the committee, whichever is greater, including at least one independent director.

(c) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated July 3, 2024. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The current constitution of the Stakeholders' Relationship Committee is as follows:

Name of Director	Position in the Committee	Designation
Mukund Srinath	Chairperson	Independent Director
Ashok Tandon	Member	Independent Director
Ramakrishna Kamojhala	Member	Whole-time Director and Chief Financial Officer

The scope and function of the Stakeholders' Relationship Committee is in accordance with Regulation 20 of the SEBI Listing Regulations. Its terms of reference are as follows:

(a) Redressal of all security holders' and investors' grievances including complaints related to transfer/transmission of shares, non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of declared dividends, non-receipt of annual reports, issue of new/duplicate certificates, etc., and assisting with quarterly reporting of such complaints;

(b) Reviewing of measures taken for effective exercise of voting rights by shareholders;

(c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(d) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(e) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

(f) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services; and

(g) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

The Stakeholders' Relationship Committee is required to meet at least once in a year under Regulation 20(3A) of the SEBI Listing Regulations.

(d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was re-constituted by our Board dated July 3, 2024. The current constitution of the Corporate Social Responsibility Committee is as follows:

Name of Director	Position in the Committee	Designation
Ashok Tandon	Chairperson	Independent Director
Sridhar Ranganathan	Member	Independent Director
Ramakrishna Kamojhala	Member	Whole-time Director and Chief Financial Officer

The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013. Its terms of reference are as follows:

(a) 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;

(b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(c) 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 programmes undertaken by the Company;

(d) To formulate the annual action plan of the Company;

(e) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(f) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

(g) 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, as amended.

(e) Risk Management Committee

The Risk Management Committee was constituted by a resolution of our Board dated August 19, 2024. The Risk Management Committee is in compliance with Regulation 21 of the SEBI Listing Regulations. The current constitution of the Risk Management Committee is as follows:

Name of Director	Position in the Committee	Designation
Anil Kumar P	Chairperson	Chairman and Managing Director
Ramakrishna Kamojhala	Member	Whole-time Director and Chief Financial Officer
Pavan Krishnamurthy	Member	Independent Director

The scope and function of the Risk Management Committee is in accordance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee shall be responsible for, among other things, the following:

(a) To formulate a detailed risk management policy, which shall include:

i. 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;

ii. Measures for risk mitigation including systems and processes for internal control of identified risks; and

iii. Business continuity plan.

(b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

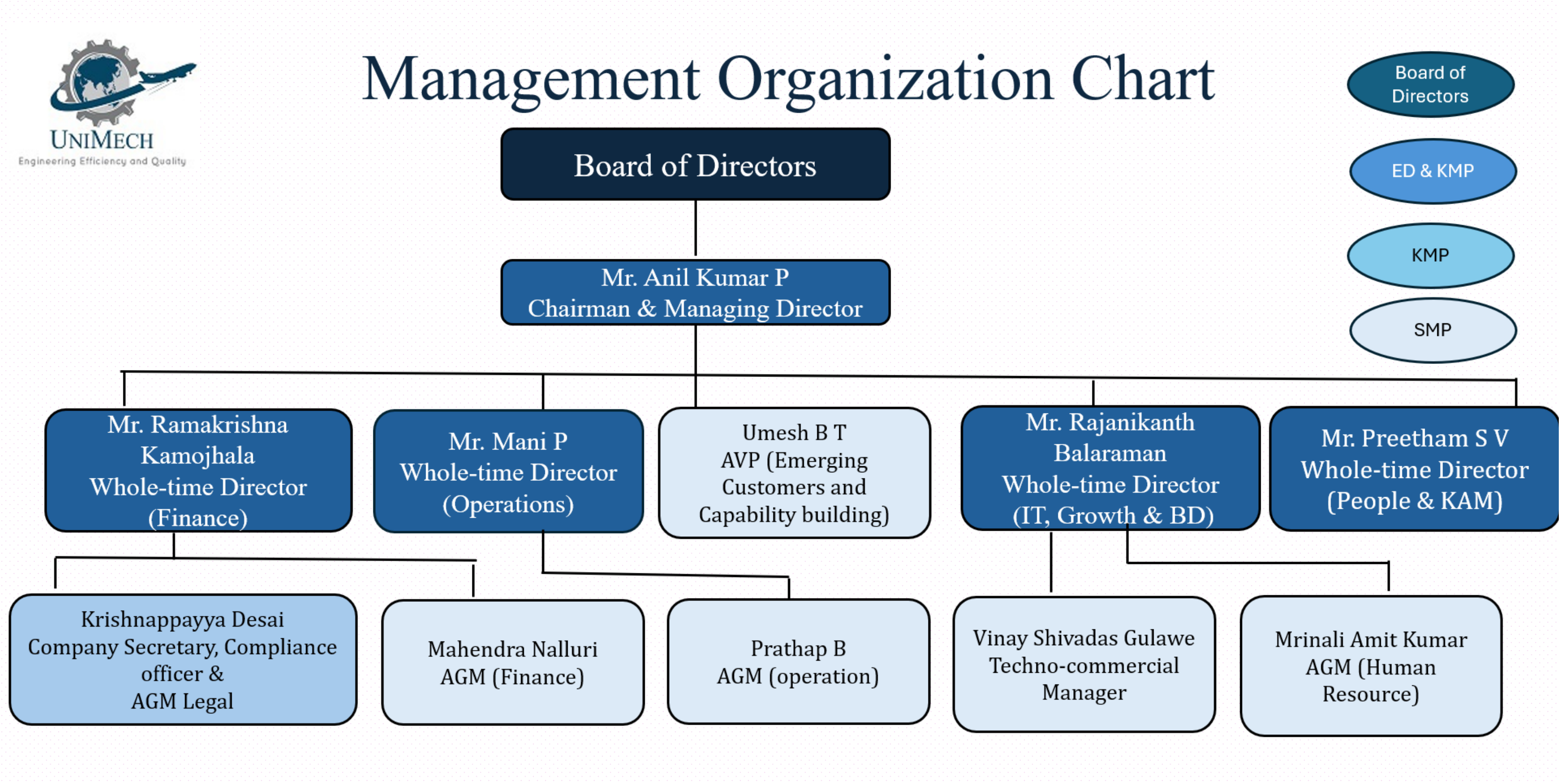
(d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee is required to meet at least twice in a year under Regulation 21(3A) of the SEBI Listing Regulations. The quorum for a meeting of the Risk Management Committee shall be two members or one third of the members of the committee, whichever is higher, including at least one member of the Board in attendance.

Management organization chart



Notes:
'AGM' refers to assistant general manager
'BD' refers to business development
'ED' refers to executive director
'IT' refer to information technology
'KAM' refers to key account management

Key Managerial Personnel

In addition to Anil Kumar P, Chairman and Managing Director of our Company, Ramakrishna Kamojhala, Whole-time Director of our Company in his capacity as the Chief Financial Officer of our Company, Mani P, Rajanikanth Balaraman, and Preetham S V, Whole-time Directors of our Company, whose details are set out in **"*– Brief profiles of our Directors*"** on page 218 above, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

Krishnappayya Desai is the Company Secretary and Compliance Officer and assistant general manager - legal of our Company. He obtained his bachelor's degree in commerce from Gulbarga University and Bachelor of Law from B.M.S. College of Law, Karnataka State Law University and Master of Law from CMR University. He is associate member of the Institute of Company Secretaries of India. He has over five years of work experience and prior to joining our Company, he was associated with Sandur Manganese and Iron Ores Limited and Shilpa Biologicals Private Limited. In Fiscal 2024, the remuneration paid to him was ₹ 0.09 million.

Senior Management

In addition to Ramakrishna Kamojhala, our Chief Financial Officer and Whole-time Director and Krishnappayya Desai, our Company Secretary and Compliance Officer, whose details are provided in "- ***Brief profiles of our Directors***" and "- ***Key Managerial Personnel***" on pages 218 and 233, respectively. The details of our other Senior Management as on the date of this Draft Red Herring Prospectus are as set forth below:

Umesh B T is the assistant vice president – emerging customers and capacity building of our Material Subsidiary. He obtained his diploma in mechanical engineering from the Board of Technical Examinations, State of Karnataka and executive master's in business administration from Kuvempu University. Prior to joining us, he has been associated with Bharat Electronics Limited, Ace Manufacturing Systems Limited, Quality Engineering and Software Technologies Private Limited, CIM Tools Private Limited, PMI Global Technologies Private Limited. He has received best design award in the field of fixture design. He has over 28 years of experience in the operation management and machine designing sector. He joined the Material Subsidiary on May 6, 2024 and hence not been paid any remuneration in Fiscal 2024.

Mahendra Nalluri is the assistant general manager - finance of our Material Subsidiary. He has been a member of the Institute of Chartered Accountants of India since 2014 and the Institute of Cost Accountants of India since 2014. He has over 8 years of work experience and prior to joining us, he has been associated with Taneja Aerospace and Aviation Limited in the capacity of chief financial officer and Cyberabad Convention Centre Private Limited in the capacity of manager – finance & accounts, Sundram Fasteners Limited in the capacity of deputy manager - finance. In Fiscal 2024, the remuneration paid to him was ₹ 0.26 million.

Vinay Shivadas Gulawe is the techno commercial manager of the Company. He holds a diploma in mechanical engineering from Government Polytechnic, Pune and a bachelor's degree in technology (mechanical engineering) from Yashwantrao Chavan Maharashtra Open University. He has over 18 years of work experience in the field of engineering and prior to joining us, he has been associated with Godrej & Boyce Manufacturing Co. Ltd. in the capacity of deputy manager and Larsen & Toubro in the capacity of supervisor. In Fiscal 2024, the remuneration paid to him was ₹ 8.96 million.

Mrinali Amrit Kumar is the assistant general manager – human resources of our Material Subsidiary. She obtained her bachelor's degree in science from Mangalore University, Karnataka and master's degree in business administration from Mangalore University. She has over 15 years of experience in the field of human resource management and prior to joining us, she was associated with Alpha Design Technologies Private Limited in the capacity of manager – human resources and Campus Select in the capacity of HR executive. In Fiscal 2024, the remuneration paid to her was ₹ 1.24 million.

Prathap B is the assistant general manager - operations of our Company. He has obtained his bachelor's degree in mechanical engineering from Visvesvaraya Technological University, Belgaum, Karnataka and obtained postgraduate diploma in tool design from Nettur Technical Training Foundation, Bangalore. He has over eight years of experience in the field of design and operations. Prior to joining us, he was associated with CR Automotive Solutions. In Fiscal 2024, the remuneration paid to him was ₹ 4.40 million.

Relationships among our Key Managerial Personnel and Senior Management

Except as disclosed in "- *Relationships amongst our Directors and our Directors and Key Managerial Personnel or Senior Management*", none of our Key Managerial Personnel and Senior Management are related to each other.

Arrangements or understanding with major Shareholders, customers, suppliers or others

None of our Key Managerial Personnel or Senior Management have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Changes in the Key Managerial Personnel or Senior Management in last three years

Except as mentioned below and as mentioned at "-*Changes to our Board in the last three years*", there have been no changes in the Key Managerial Personnel or Senior Management in the last three years:

Name	Date of change	Reason
Umesh B T	May 6, 2024	Appointment as assistant vice president - Emerging Customers & Capability Building of our Material Subsidiary.
Krishnappaya Desai	March 11, 2024	Appointment as Company Secretary of our Company.
Mahendra Nalluri	March 1, 2024	Appointment as assistant general manager Finance of our Material Subsidiary.
Mrinali Amrit Kumar	October 6, 2023	Appointed as assistant general manager – Human Resources of our Material Subsidiary.
Ramkrishna Kamojhala	April 30, 2024	Appointed as the Chief Financial Officer of our Company

The rate of attrition of our Key Managerial Personnel and Senior Management is not high in comparison to the industry in which we operate.

Status of Key Managerial Personnel and Senior Management

As on the date of this Draft Red Herring Prospectus, all our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Retirement and termination benefits

Our Key Managerial Personnel or Senior Management have not entered into any service contracts with our Company which include termination or retirement benefits. Except statutory benefits upon termination of their employment in our Company or superannuation, none of the Key Managerial Personnel or Senior Management is entitled to any benefit upon termination of employment or superannuation.

Shareholding of the Key Managerial Personnel and Senior Management

Except as disclosed under "– ***Shareholding of Directors in our Company***" on page 223, none of our other Key Managerial Personnel and Senior Management hold any Equity Shares in our Company.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel and Senior Management for Fiscal 2024, which does not form part of their remuneration for such period.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management

Our Company does not have a profit-sharing plan for our Key Managerial Personnel and Senior Management.

Interest of Key Managerial Personnel and Senior Management

Our Key Managerial Personnel and Senior Management are interested in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

Our Key Managerial Personnel and Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company.

Employee stock option and employee stock purchase schemes

For details of the employee stock option scheme of our Company, see "***Capital Structure – Employee Stock Option Plans"*** on page 98.

Payment or Benefit to officers of our Company (non-salary related)

Except as stated in "***Summary of Offer Document – Related Party Transactions***" on page 18, No non-salary related amount or benefit has been paid or given within the two years preceding the date of the Draft Red Herring Prospectus or is intended to be paid or given to any officer of our Company, including our Directors, Key Managerial Personnel and Senior Management.

PROMOTERS AND PROMOTER GROUP

Our Promoters

As on the date of this Draft Red Herring Prospectus, Anil Kumar P, Ramakrishna Kamojhala, Mani P, Rajanikanth Balaraman and Preetham S V are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, our Promoters, in aggregate, hold 42,236,420 Equity Shares in our Company, representing 88.60% of the pre-Offer issued, subscribed, and paid-up Equity Share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, please refer to **"*Capital Structure – Notes to the Capital Structure – Details of history of shareholding and share capital of our Promoters and the members of the Promoter Group in our Company – Build-up of Promoters' shareholding in our Company*"** on page 91.

Details of our Promoters are as follows:

<table>
<tr><td></td><td>Anil Kumar P, aged 43 years, is the Chairman and Managing Director and one of the Promoters of our Company.

Date of Birth: June 10, 1981

Address: E 721, Cedar Block, Brigade Orchards, Devanahalli, Bengaluru Rural – 562110, Bangalore Rural, Karnataka, India.

Permanent Account Number: ALPPK1911N

For complete profile of Anil Kumar P, with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, please see "Our Management – Board of Directors – Brief profiles of Directors" on page 218.</td></tr>
<tr><td></td><td>Ramakrishna Kamojhala, aged 46 years, is one of the Whole-time Directors, Chief Financial Officer and one of the Promoters of our Company.

Date of Birth: December 24, 1977

Address: 134, 3rd Cross, 5th Main, KSRTC Layout, Chikkalasandra, Bangalore South, Subramanyapura Bangalore, Karnataka – 560061, India

Permanent Account Number: ALNPK0291P

For complete profile of Ramakrishna Kamojhala, with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, please see "Our Management – Board of Directors – Brief profiles of Directors" on page 218.</td></tr>
<tr><td></td><td>Mani P, aged 47 years, is one of the Whole-time Directors and one of the Promoters of our Company.

Date of Birth: December 26, 1976

Address: No. 628, Phase 4 Gagan Nilayam, Raheja Jade Garden, Near Club Cabana, Sadahalli, Devenahalli – 562110, Bangalore Rural, Karnataka, India.

Permanent Account Number: AKCPP6520C

For complete profile of Mani P, with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, please see "Our Management – Board of Directors – Brief profiles of Directors" on page 218.</td></tr>
</table>

	**Rajanikanth Balaraman**, aged 48 years, is one of the Whole-time Directors and one of the Promoters of our Company. **Date of Birth**: April 26, 1976 **Address**: 511, Athreya 4th Cross, 3rd Stage, 3rd Block 3rd Phase, Banashankari, South Bangalore, Bangalore – 560 085, Karnataka, India. **Permanent Account Number**: AFIPB5788F For complete profile of Rajanikanth Balaraman, with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, please see "***Our Management – Board of Directors – Brief profiles of Directors***" on page 218.
	**Preetham S V**, aged 44 years, is one of the Whole-time Directors and one of the Promoters of our Company. **Date of Birth**: September 1, 1979 **Address**: 406, 4th Floor, Parvatha Krishna Homes, Ramachandrappa Layout Gubbalala, Vasanthapura, Subramanyapura, Bengaluru - 560 061, Bengaluru, Karnataka, India. **Permanent Account Number**: AOZPP9253R For complete profile of Preetham S V, with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, please see "***Our Management – Board of Directors – Brief profiles of Directors***" on page 218.

Our Company confirms that the permanent account number, bank account numbers, passport number, Aadhaar card number and driving license number of our Promoters will be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus.

Change in control of our Company

Except as disclosed below, there has been no change in control of our Company in the last five years immediately preceding the date of this Draft Red Herring Prospectus:

Anil Kumar P is not the original Promoter of our Company. On March 29, 2024, Rasmi Anil Kumar transferred 13,344,200 Equity Shares of face value of ₹ 5 each to Anil Kumar P (representing 27.99% of the pre-offer Equity Share Capital of our Company), by way of a gift deed dated March 29, 2024. For details in relation to the equity share build-up of Anil Kumar P, see "***Capital Structure–History of the share capital held by our Promoter-Build-up of the Equity shareholding of our Promoter in our Company***" and "***Offer Document Summary***" on pages 91 and 14, respectively.

Other ventures of our Promoters

Other than as disclosed below and in **"*– Entities forming part of the Promoter Group***" on page 238, respectively, our Promoters are not involved in any other ventures:

Name of the Promoter	Name of the venture
Anil Kumar P	Unilearn Educational Services LLP

Interests of Promoters

Our Promoters are interested in our Company: (i) to the extent that they have promoted our Company; (ii) to the extent of their direct or indirect shareholding in our Company; and (iii) the dividend payable upon such shareholding and any other distributions in respect of their shareholding in our Company, if any. For further details, see **"*Capital Structure – Notes to the Capital Structure – Details of history of shareholding and share capital of our Promoters and the members of the Promoter Group in our Company – Build-up of Promoters' shareholding in our Company*"** on page 91. Additionally, our Promoters may be interested in transactions entered by our Company or our Material Subsidiary with them, their relatives, or other entities (i) in which our Promoters hold shares, directly or indirectly or (ii) which are controlled by our Promoters.

No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as a Director or Promoter or otherwise for services rendered by our Promoters, or by such firm or company, in connection with the promotion or formation of our Company.

Our Promoters do not have any interest, whether direct or indirect, in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by it as on the date of this Draft Red Herring Prospectus.

Except as disclosed herein and as stated in Note 35 of the Restated Consolidated Financial Information included in "***Restated Consolidated Financial Information – Related Party Disclosures***" on page 279, there has been no payment or benefits by our Company to our Promoters or any of the members of our Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or any members of our Promoter Group as on the date of this Draft Red Herring Prospectus.

Except as disclosed below, our Promoters have not dissociated themselves from any companies or firms in the three years preceding the date of this Draft Red Herring Prospectus.

Name of the Promoter	Name of Company or firm from which Promoter has disassociated	Reason for and circumstances leading to disassociation	Date of disassociation
Ramakrishna Kamojhala*	Unimech Healthcare Private Limited	Unimech Healthcare Private Limited ("**UHPL**") was a wholly owned subsidiary of our Company where one share was held by Ramakrishna Kamojhala as our Company's nominee shareholder. Due to disinvestment of UHPL by our Company, Ramakrishna Kamojhala disassociated from UHPL as a corollary. For further details, see "– ***Equity share sale and transfer memorandum dated December 12, 2023, between our Company, M/s. Pearl Enterprise and Unimech Healthcare Private Limited***"	January 31, 2024

*****He was holding one equity share of Unimech Healthcare Private Limited as a nominee on its behalf.*

Material guarantees

Except as disclosed in this Draft Red Herring Prospectus, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares. For further details on the guarantees given by the Promoters, please see "***History and Certain Corporate Matters - Guarantees provided to third parties by our Promoter offering their Equity Shares in the Offer for Sale***" on page 210.

Confirmations

Our Promoters and members of our Promoter Group have not been declared 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 Reserve Bank of India.

Our Promoters and members of our Promoter Group have not been prohibited or debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator or any other authority, court or tribunal inside and outside India.

Our Promoters are not and have not been a promoter or director of any other company which is debarred from accessing or operating in 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 offenders under the Fugitive Economic Offenders Act, 2018.

There is no conflict of interest between our Promoters or members of our Promoter Group and the suppliers of raw materials and third-party service providers, which are crucial for the operations of our Company. Further, there is no conflict of interest between our Promoters or members of our Promoter Group and lessors of the immovable properties, which are crucial for the operations of our Company

Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of our Promoter Group

The natural persons who are part of our Promoter Group, other than our Promoters, are as follows:

Name of the Promoter	Name of member of Promoter Group	Relationship
Anil Kumar P	Rasmi Anil Kumar	Spouse
	P Sathyanarayan	Father
	Sulochana T	Mother
	Mani P	Brother
	Jayanthi P	Sister
	Rathi Devi P	Sister
	Shraddha A Nair	Daughter
	Shravya A Nair	Daughter
	Muralidharan V	Father of the spouse
	Radha E	Mother of the spouse
	Ramya Murughan	Sister of the spouse
Ramakrishna Kamojhala	Radhika K	Spouse
	Narahari Kamojhala	Father
	Kamojhala Shobha	Mother
	K Santhosh Kumar	Brother
	Kondapalkala Phani Rani	Sister
	Abhiram Kamojhala	Son
	Anurag Kamojhala	Son
	Alabaka Sadashiva Rao	Father of the spouse
	Alabaka Lalitha	Mother of the spouse
	Alabaka Raja Gopal Rao	Brother of the spouse
	Kanyakanty Deepika	Sister of the spouse
	Albaka Sri Latha	Sister of the spouse
Mani P	Savitha K Nayar	Spouse
	P Sathyanarayan	Father
	Sulochana T	Mother
	Anil Kumar P	Brother
	Jayanthi P	Sister
	Rathi Devi P	Sister
	Gagan M	Son
	Meenakshi K K	Mother of the spouse
	Saritha Anilkumar	Sister of the spouse
	Smitha K	Sister of the spouse
Rajanikanth Balaraman	Mamata Kumar	Spouse
	Mala R	Mother
	Sripriya B	Sister
	Kriti Rajanikanth Iyengar	Daughter
	Gopal Sampath Kumar	Father of the spouse
	S Usha Kumari	Mother of the spouse
	K Shweta	Sister of the spouse
	Arpita Kumar	Sister of the spouse
Preetham S V	C S Shruthi	Spouse
	Venkatesh S S	Father
	Drakshayini	Mother
	Priya S V	Sister
	Samhith S P	Son
	Samanvi S P	Daughter
	C S Surendra	Father of the spouse
	Prema K S	Mother of the spouse
	C S Sudheer	Brother of the spouse

Entities forming part of our Promoter Group

The companies, bodies corporate, HUFs, trusts and firms forming part of our Promoter Group, are as follows:

1. Skill Elevator Technologies Private Limited
2. SuccessEdge Academy LLP
3. IProledge
4. Ramakrishna Kamojhala HUF
5. Hat and Tie Learningtecq (India) Private Limited

OUR GROUP COMPANY

As per the SEBI ICDR Regulations and the applicable accounting standards, and the resolution passed by the Board at its meeting held on August 7, 2024, the term ‘group companies’, for the purpose of identification and disclosure in the Offer Documents, shall include (i) such companies (other than our subsidiaries from time to time for a period of last three financial years) with which there were related party transactions, in accordance with Ind AS 24, as disclosed in the Restated Consolidated Financial Information; and (ii) any other companies considered material by the Board.

Unimech Healthcare Private Limited was a subsidiary of the Company during the period for which related party transactions have been carried out hence it has not been identified as the group company of the Company.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company does not have any group company.

DIVIDEND POLICY

The declaration and payment of dividend will be recommended by our Board and/or approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association, the applicable law, including the Companies Act. Our Board at its meeting held on August 7, 2024, has adopted a dividend distribution policy ("**Dividend Policy**").

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividend in the foreseeable future. In terms of our Dividend Policy, our Board shall consider, inter alia, the following internal and external parameters while declaring or recommending dividends to our Shareholders: (i) profits earned during the financial year; (ii) retained earnings; (iii) earnings outlook; (iv) present and future capital expenditure plans / working capital requirements of the our Company; (v) past dividend trends; (v) any other relevant factors and material events as may be deemed fit by our Board; (vi) dividend pay-out ratios of companies in the same industry; (vii) macro-economic environment significant changes in macro-economic environment materially affecting the businesses in which our Company is engaged in the geographies in which our Company operates; (viii) capital commitment; and (ix) capital markets changes. In terms of our Dividend Policy, the quantum of dividend, if any, and our ability to pay dividends will depend on a number of factors, including, but not limited to, profits earned during the year, present and future capital requirements of the existing businesses; brand or business acquisitions; expansion/ modernization of existing businesses; additional investments in subsidiaries of our Company; fresh investments into external businesses; fund requirements to finance the working capital needs of our Company; fund requirements to meet expense to upgrade and maintain the infrastructure of our Company or any other factor as deemed fit by our Board.

The profits earned by our Company may either be retained and used for various purposes by our Company or may be distributed to the Shareholders. Our Company may from time to time, pay interim dividends. Further, our past practices in relation to declaration of dividend and, or, the amount of dividend paid is not necessarily indicative of our future dividend declaration. There can be no assurance that our Company will be in a position to pay dividends in the future. Our Company has not declared any dividend on the Equity Shares of our Company in Fiscals 2024, 2023 and 2022 and the period from April 1, 2024, until the date of this Draft Red Herring Prospectus. However, this is not necessarily indicative of any dividend declaration or the quantum of our Company's dividend, in the future. See, "***Risk Factors – 55. Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures, financial condition and restrictive covenants of our financing arrangements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company's shareholders consistent with our past practices, or at all.***" on page 61.

Our Company has not declared and paid any dividend in the three Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 preceding the date of this Draft Red Herring Prospectus and the period from April 1, 2024 until the date of this Draft Red Herring Prospectus.

SECTION V - FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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Examination Report of Independent Auditor on the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 and Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Statement of Changes in Equity, Restated Consolidated Statement of Cash Flows along with the Statement of Material Accounting Policies and other explanatory information for years ended March 31, 2024, March 31, 2023 and March 31, 2022 of Unimech Aerospace and Manufacturing Limited (formerly known as Unimech Aerospace and Manufacturing Private Limited) together with its subsidiaries (collectively, the "Restated Consolidated Financial Information")

The Board of Directors
Unimech Aerospace and Manufacturing Limited
(Formerly known as Unimech Aerospace and Manufacturing Private Limited)
538, 539, 542, & 543, 7th Main of Peenya IV Phase,
Industrial Area, Yeshwanthpur Hobli,
Bangalore – 560 058,
Karnataka, India.

Dear Sirs/ Madams,

1. We, M S K A & Associates, ("we" or 'our' or "us" or "M S K A") have examined the Restated Consolidated Financial Information of Unimech Aerospace and Manufacturing Limited (formerly known as Unimech Aerospace and Manufacturing Private Limited) (the "Company" or the "Holding Company" or the "Issuer") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group") as at March 31, 2024, March 31, 2023 and March 31, 2022, annexed to this report for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer ("IPO") of equity shares of face value of ₹ 5 each (the "Offer"). The Restated Consolidated Financial Information, have been approved by the Board of Directors of the Company (the "Board of Directors") at their meeting held on August 19, 2024, and have been prepared by the company in accordance with the requirements of:

    a) the Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

    b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations");

    c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note"); and

    d) Email dated October 28, 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India ("SEBI Communication").

Management's Responsibility for the Restated Consolidated Financial Information

2. The Company's management is responsible for the preparation of Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with SEBI, BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") (collectively, the "Stock Exchanges") in connection with the Offer. The Restated Consolidated Financial Information have been prepared by the management of the Company in accordance with the basis of preparation stated in Note 2.1 to Annexure V of the Restated Consolidated Financial Information. The respective Board of Directors of the companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors of the companies included in the Group are also responsible for identifying and ensuring that the Group complies with the Act, the SEBI ICDR Regulations and the Guidance Note, as may be applicable.

Auditor's Responsibilities

3. We have examined the Restated Consolidated Financial Information taking into consideration:

    a) the terms of reference and our engagement agreed with you vide our engagement letter dated February 13, 2024, in connection with the Offer.

    b) The Guidance Note and SEBI Communication. The Guidance Note also requires that we comply with the ethical requirements as stated in the Code of Ethics issued by the ICAI;

    c) the concepts of test check and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

d) the requirements of Section 26 of the Act and the SEBI ICDR Regulations.

4. Our work was performed solely to assist you in meeting your responsibilities in relation to compliance with the Act, the SEBI ICDR Regulations, the Guidance Note and SEBI Communication in connection with the Offer.

Restated Consolidated Financial Information

5. The Restated Consolidated Financial Information have been compiled by the management of the Group from:

(a) the audited consolidated financial statements of the Group as at and for the year ended March 31, 2024 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India and have been approved by the Board of Directors at their meeting held on July 03, 2024.

(b) the audited special purpose consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2023, prepared by the Company in accordance with the with Basis of Preparation, as set out in Note 2.1 of Annexure V to the Restated Consolidated Financial Information, and have been approved by the Board of Directors at their meeting held on August 07, 2024.

(c) the audited special purpose consolidated financial statements of the Group as at and for the year ended March 31, 2022, prepared by the Company in accordance with the basis of Basis of Preparation, as set out in Note 2.1 of Annexure V to the Restated Consolidated Financial Information, which have been approved by the Board of Directors at their meeting held on August 07, 2024.

The audited Special Purpose Consolidated Financial Statements as at and for the years ended March 31, 2023 and March 31, 2022 referred to in Para 5(b) and 5(c) above have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exemptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 01, 2022) and as per the presentation, accounting policies and grouping/classifications including Revised Schedule III disclosures followed as at for the year ended March 31, 2024, in accordance with Ind AS, pursuant to the SEBI Communication.

6. For the purpose of our examination, we have relied on:

a) Auditor's report issued by us dated July 03, 2024 on the Consolidated Financial Statements of the Group as at and for the year ended March 31, 2024 as referred in Para 5 (a) above.

b) Auditor's report issued by us dated August 07, 2024 on the Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2023 as referred in Para 5 (b) above.

Our audit report on the Special Purpose Consolidated Ind AS Financial Statements of the Company for the year ended March 31, 2023, included an Emphasis of Matter Paragraph and an Other Matter Paragraph as follows:

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

"We draw attention to Note 2.1 to the Special Purpose Consolidated Ind AS Financial Statements, which describe the purpose and basis of accounting of the Special Purpose Consolidated Ind AS Financial Statements. These Special Purpose Consolidated Ind AS Financial Statements are prepared by the management of the Group, solely for the purpose of the preparation of Restated Consolidated Financial Information to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to "Offer Documents") in connection with its proposed Initial Public Offering ('IPO') of equity shares of Holding Company as required by Section 26 of Part I of Chapter III of the Act, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (the "SEBI ICDR Regulations"), the SEBI Communication and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI. As a result, the Special Purpose Consolidated Ind AS Financial Statements may not be suitable for another purpose.

Our report is intended solely for the use of Holding Company's Board of Directors for their purpose as specified above and should not be distributed to or used by any other parties. M S K A & Associates shall not be liable to the Holding Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our Opinion is not modified in respect of above matter"

Other Matters

a. The Holding Company has prepared a separate set of General Purpose Consolidated Financial Statements for the year ended March 31, 2023 in accordance with the Accounting Standards specified under Section 133 of the Act read along with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India on which the predecessor auditor have issued a consolidated auditor's report to the shareholders of the Holding Company dated September 29, 2023 and expressed an unmodified opinion on those financial statements.

b. As informed to us by the management of the Group, the predecessor auditor do not hold a valid peer review certificate as issued by the 'Peer Review Board' of the ICAI and have therefore, expressed their inability to perform any work on the Restated Consolidated Financial information for the year ended March 31, 2023 to be included in Offer Documents. Accordingly, in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, and pursuant to SEBI Communication, we have audited the Special Purpose Ind AS Consolidated Financial Statements of the Group for the year ended March 31, 2023.

c. The Special Purpose Consolidated Financial Statements for the year ended March 31, 2023, has been prepared by the management in accordance with the basis stated in Note 2.1 to the Special Purpose Consolidated Financial Statements solely for the purpose of preparation of Restated Financial Information to be included in the Offer Documents in connection with the proposed IPO of equity shares of the holding Company. Accordingly, the management has not presented the corresponding comparative figures in these financial statements

Our opinion is not modified in respect of above matters.

c) Auditor's report issued by us dated August 07, 2024 on the special purpose consolidated financial statements of the Group as at and for the year ended March 31, 2022 as referred in Para 5 (c) above.

Our audit report on the Special Purpose Consolidated Financial Statements of the Company for the year ended March 31, 2022, included an Emphasis of Matter Paragraph and Other Matter Paragraphs as follows:

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

"We draw attention to Note 2.1 to the Special Purpose Consolidated Financial Statements, which describes the purpose and basis of accounting of the Special Purpose Consolidated Financial Statements. These Special Purpose Consolidated Financial Statements are prepared by the management of the Group, solely for the purpose of preparation of the restated consolidated financial information to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to "Offer Documents") in connection with its proposed Initial Public Offering ('IPO') of equity shares of Holding Company, as required by Section 26 of Part I of Chapter III of the Act, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (the "SEBI ICDR Regulations"), the SEBI Communication and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI. As a result, the Special Purpose Consolidated Financial Statements may not be suitable for another purpose.

Our report is intended solely for the use of Holding Company's Board of Directors for their purpose as specified above and should not be distributed to or used by any other parties. M S K A & Associates shall not be liable to the Holding Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our Opinion is not modified in respect of above matter"

Other Matters

i) The Group has prepared a separate set of General Purpose Consolidated Financial Statements for the year ended March 31, 2022 in accordance with the Accounting Standards specified under Section 133 of the Act read along with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India on which the predecessor Auditor have issued a consolidated auditor's report to the shareholders of the Holding Company dated September 29, 2022 and expressed an unmodified opinion on those financial statements.

ii) As informed to us by the management of the Group, the predecessor auditor did not hold a valid peer review certificate as issued by the 'Peer Review Board' of the ICAI and have therefore, expressed their inability to perform any work on the Restated Consolidated Financial Information for the year ended March 31, 2022 to be included in Offer Documents. Accordingly, in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, and pursuant to SEBI

Communication, we have audited the Special Purpose Consolidated Financial Statements of the Group for the year ended March 31, 2022.

iii) The Special Purpose Consolidated Financial Statements for the year ended March 31, 2022, has been prepared by the management in accordance with the basis stated in Note 2.1 to the Special Purpose Consolidated Financial Statements solely for the purpose of preparation of Restated Financial Information to be included in the Offer Documents in connection with the proposed IPO of equity shares of the holding Company. Accordingly, the management has not presented the corresponding comparative figures in these financial statements.

Our opinion is not modified in respect of the above matters.

7. Based on the above and according to the information and explanations given to us, we report that:

   i) Restated Consolidated Financial Information have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications retrospectively in the financial years as at and for the years ended March 31, 2023 and March 31, 2022, to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2024, as more fully described in Annexure V and VI to the Restated Consolidated Financial Information (Restated Statement of Adjustments to Audited Financial Statements);

   ii) there are no qualifications in the auditor's reports on the Consolidated Financial Statements of the Company as at and for the year ended March 31, 2024, Special Purpose Consolidated Ind AS Financial Statements for the year ended March 31, 2023 and Special Purpose Consolidated Financial Statements for the year ended March 31, 2022 which require any adjustments to the Restated Consolidated Financial Information. There are Emphasis of Matters (refer paragraph 6(b) and 6(c) above) which do not require any adjustment to the Restated Consolidated Financial Information; and

   iii) Restated Consolidated Financial Information have been prepared in accordance with the Act, the SEBI ICDR Regulations the Guidance Note and SEBI Communication.

8. We have not audited any financial statements of the Group as at any date or for any period subsequent to March 31, 2024. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as at any date or for any period subsequent to March 31, 2024.

9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 6 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous auditor's reports issued by us or by the Previous Auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

12. Our report is intended solely for use of the Board of Directors and for inclusion in the DRHP to be filed with the SEBI, BSE and NSE, as applicable in connection with the proposed Offer. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care towards any other person relying on the Examination Report.

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

Pankaj S Bhauwala
Partner
Membership No. 233552
UDIN: 24233552BKBKLE7277

Place: Bengaluru
Date: August 19, 2024

Unimech Aerospace and Manufacturing Limited
(Formerly Known as Unimech Aerospace and Manufacturing Private Limited)
(CIN : U30305KA2016PLC095712)
Annexure I : Restated Consolidated Statement of Assets and Liabilities
(All amounts are INR in Millions, unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS				
Non-current assets				
Property, plant and equipment	3(a)	450.72	215.71	160.25
Capital work-in-progress	4	0.24	0.40	30.26
Right-of-use assets	3(b)	62.85	70.87	82.83
Intangible assets	5	6.43	2.67	3.59
Financial assets				
Other financial assets	6	8.78	6.85	30.80
Other non-current assets	7	85.10	2.07	-
Non Current tax assets (net)	8	-	0.40	0.68
Deferred tax assets (net)	22	5.63	6.77	7.53
Total non-current assets		**619.75**	**305.74**	**315.94**
Current assets				
Inventories	9	197.33	157.72	47.24
Financial assets				
Trade receivables	10	468.42	321.30	75.15
Cash and cash equivalents	11	71.78	18.75	34.49
Bank balances other than cash and cash equivalents	12	4.61	21.86	40.29
Other financial assets	13	239.04	59.96	17.58
Current tax assets (net)	14	39.58	-	2.18
Other current assets	15	115.83	48.08	35.88
Total current assets		**1,136.59**	**627.67**	**252.81**
Total assets		**1,756.34**	**933.41**	**568.75**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	16	220.03	10.42	10.42
Other equity	17	865.92	478.03	266.16
Total equity		**1,085.95**	**488.45**	**276.58**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	18	125.18	45.90	57.70
Lease liabilities	3(b)	-	9.52	17.74
Provisions	21	-	60.20	17.97
Deferred tax liabilities (net)	22	-	1.38	-
Total non-current liabilities		**125.18**	**117.00**	**93.41**
Current liabilities				
Financial liabilities				
Borrowings	19	163.38	176.69	113.46
Lease liabilities	3(b)	10.40	8.22	10.68
Trade payables	20			
Total outstanding dues of micro enterprises and small enterprises		23.32	16.62	9.66
Total outstanding dues of creditors other than micro enterprises and small enterprises		111.90	52.69	31.57
Other financial liabilities	23	33.68	34.40	10.67
Provisions	21	195.73	12.31	4.99
Other current liabilities	24	6.80	6.94	7.87
Current tax liabilities (net)	25	-	20.09	9.86
Total current liabilities		**545.21**	**327.96**	**198.76**
Total liabilities		**670.39**	**444.96**	**292.17**
Total equity and liabilities		**1,756.34**	**933.41**	**568.75**

Note: The above statement should be read with Material Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of adjustments to Restated Consolidated Financial Information in Annexure VI and Notes to Restated Consolidated Financial Information in Annexure VII.

As per our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Unimech Aerospace and Manufacturing Limited
(Formerly known as Unimech Aerospace and Manufacturing Private Limited)
(CIN : U30305KA2016PLC095712)

Pankaj S Bhauwala
Partner
Membership No: 233552

Anil Kumar Puttan
Chairman & Managing Director
DIN: 07683267

Ramakrishna Kamojhala
Director and CFO
DIN: 07004517

Krishnappayya Desai
Company Secretary
M No: A61281

Place: Bengaluru
Date: August 19, 2024

Place: Bengaluru
Date: August 19, 2024

Place: Bengaluru
Date: August 19, 2024

Unimech Aerospace and Manufacturing Limited
(Formerly Known as Unimech Aerospace and Manufacturing Private Limited)
(CIN : U30305KA2016PLC095712)
Annexure II : Restated Consolidated Statement of Profit and Loss including other comprehensive income

(All amounts are INR in Millions, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Income				
Revenue from operations	26	2,087.75	941.66	363.49
Other income	27	50.11	7.64	7.32
Total income		**2,137.86**	**949.30**	**370.81**
Expenses				
Cost of materials consumed	28	486.31	297.51	89.32
Purchases of stock-in-trade	28	6.08	10.49	-
Changes in inventories of finished goods, stock in trade, work-in-progress	28	(49.71)	(118.16)	(18.01)
Subcontractor charges	29	269.14	74.13	28.89
Employee benefits expense	30	324.40	156.07	82.67
Finance costs	31	32.32	18.82	16.44
Depreciation and amortization expense	32	44.64	40.80	30.95
Other expenses	33	259.68	175.99	103.37
Total expenses		**1,372.86**	**655.65**	**333.63**
Restated profit before tax for the year		**765.00**	**293.65**	**37.18**
Current tax	41A			
- Tax for the year		154.57	57.75	9.83
- Tax expense pertaining to earlier years		28.95	-	-
Deferred tax	41B	0.14	7.77	(6.57)
Total tax expense		**183.66**	**65.52**	**3.26**
Restated Profit after tax for the year		**581.34**	**228.13**	**33.92**
Restated other comprehensive income/(loss)				
Items that will not be reclassified subsequently to profit and loss				
Re-measurement gains/ (losses) on defined benefit plans		(1.16)	(21.91)	0.06
Income tax effect on above	41C	0.29	5.65	(0.05)
Restated total other comprehensive income/(loss) for the year		**(0.87)**	**(16.26)**	**0.01**
Restated total comprehensive income for the year		**580.47**	**211.87**	**33.93**
Restated earnings per share (Face value of share Rs.5 each)				
- Basic (Rs)	36d	13.23	5.19	0.77
- Diluted (Rs)	36d	13.23	5.19	0.77

Note: The above statement should be read with Material Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of adjustments to Restated Consolidated Financial Information in Annexure VI and Notes to Restated Consolidated Financial Information in Annexure VII.

As per our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Unimech Aerospace and Manufacturing Limited
(Formerly known as Unimech Aerospace and Manufacturing Private Limited)
(CIN : U30305KA2016PLC095712)

Pankaj S Bhauwala
Partner
Membership No: 233552

Anil Kumar Puttan
Chairman & Managing Director
DIN: 07683267

Ramakrishna Kamojhala
Director and CFO
DIN: 07004517

Krishnappayya Desai
Company Secretary
M No: A61281

Place: Bengaluru
Date: August 19, 2024

Place: Bengaluru
Date: August 19, 2024

Place: Bengaluru
Date: August 19, 2024

Unimech Aerospace and Manufacturing Limited
(Formerly Known as Unimech Aerospace and Manufacturing Private Limited)
(CIN : U30305KA2016PLC095712)
Annexure III : Restated Consolidated Statement of Cash Flows
(All amounts are INR in Millions, unless otherwise stated)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from operating activities				
Restated profit before tax		765.00	293.65	37.18
Adjustments for :				
Depreciation and amortization expense		44.65	40.80	30.96
Finance costs		32.82	27.28	20.01
Expected credit loss allowance		10.10	7.72	0.93
Unrealized foreign exchange (gain)/loss		(12.19)	2.45	3.57
Profit on sale of investments		(0.02)	-	-
Rent concession		-	-	(1.53)
Profit on sale of asset		(1.04)	(0.30)	-
Loss on disposal of property, plant and equipment and intangible assets		-	-	0.59
Interest income		(16.08)	(7.42)	(4.24)
Operating profit before working capital changes		**823.24**	**364.18**	**87.47**
Changes in working capital				
(Increase)/Decrease in trade receivables		(141.29)	(183.50)	(8.26)
(Increase)/Decrease in inventories		(48.96)	(110.49)	(31.76)
(Increase)/Decrease in other current financial assets		(182.63)	(15.81)	(50.79)
(Increase)/Decrease in other current assets		(71.15)	(12.21)	(16.44)
(Increase)/Decrease in other non-current assets		(83.02)	(2.07)	0.45
Increase/(Decrease) in trade payables		62.52	(23.11)	4.67
Increase/(Decrease) in other current liabilities		0.13	(0.87)	4.08
Increase/(Decrease) in provision		122.07	22.48	15.71
Increase/(Decrease) in other financial liabilities		(1.79)	23.71	8.72
Cash generated from operations		**(344.12)**	**(301.87)**	**(73.62)**
Income taxes paid (net of refunds)		(242.79)	(48.77)	1.43
Net cash flow generated from operating activities	**A**	**236.33**	**13.54**	**15.28**
B. Cash flows from investing activities				
Payments for acquisition of property, plant and equipment		(277.99)	(54.12)	(28.54)
Payments for acquisition of intangible assets		(0.29)	(0.36)	-
Proceeds from sale of bank deposits		18.84	0.79	33.03
Investment in bank deposits		-	(3.77)	-
Proceeds from sales of investments		0.12	-	-
Proceeds from disposal of property, plant and equipment		4.20	-	2.81
Payments for purchase of investments		-	(10.10)	(8.39)
Proceeds from disposal of intangible assets		-	1.25	-
Interest received		15.90	7.12	9.24
Net cash flow generated from/(used in) investing activities	**B**	**(239.22)**	**(59.19)**	**8.15**
C. Cash flow from financing activities				
Proceeds from issue of equity shares		-	10.10	-
Proceeds/repayment from borrowings		96.99	48.93	27.39
Finance costs paid		(1.13)	(3.28)	(3.05)
Interest paid on borrowings and guarantee commision		(30.16)	(13.65)	(14.62)
Principal paid on lease liabilities		(8.48)	(10.68)	(8.60)
Interest paid on lease liabilities		(1.42)	(2.06)	(2.80)
Net cash flow generated from/(used in) financing activities	**C**	**55.80**	**29.36**	**(1.68)**
D. Net increase/(decrease) in cash and cash equivalents	**[A+B+C]**	52.91	(16.29)	21.75
Cash and cash equivalents at the beginning of the year		18.75	34.49	13.03
Effects of exchange rate changes on cash and cash equivalents		0.12	0.55	(0.29)
Cash and cash equivalents at end of the year		**71.78**	**18.75**	**34.49**
Cash and cash equivalents comprise (Refer note 11)				
Balances with banks				
- in current accounts		42.29	11.65	27.91
- in EEFC Accounts		19.45	7.07	6.58
Deposits with original maturity of less than 3 months		10.01	-	-
Cash on hand		0.03	0.03	-
Total cash and cash equivalents at end of the year		**71.78**	**18.75**	**34.49**

Refer to note 18.3 for reconciliation of movements of liabilities to cash flows arising from financing activities.

Note(i) The above statement should be read with Material Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of adjustments to Restated Consolidated Financial Information in Annexure VI and Notes to Restated Consolidated Financial Information in Annexure VII.

Note (ii) The above restated consolidated statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 - "Statement of Cash Flows" notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules 2015 (as amended) and the relevant provisions of the Act.

As per our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Unimech Aerospace and Manufacturing Limited
(Formerly known as Unimech Aerospace and Manufacturing Private Limited)
(CIN : U30305KA2016PLC095712)

Pankaj S Bhauwala
Partner
Membership No: 233552

Anil Kumar Puttan
Chairman & Managing Director
DIN: 07683267

Ramakrishna Kamojhala
Director and CFO
DIN: 07004517

Krishnappayya Desai
Company Secretary
M No: A61281

Place: Bengaluru
Date: August 19, 2024

Place: Bengaluru
Date: August 19, 2024

Place: Bengaluru
Date: August 19, 2024

Unimech Aerospace and Manufacturing Limited
(Formerly Known as Unimech Aerospace and Manufacturing Private Limited)
(CIN : U30305KA2016PLC095712)
Annexure IV : Restated Consolidated Statement of Changes in Equity
(All amounts are INR in Millions, unless otherwise stated)

A. Equity share capital
Equity shares of INR 5 each issued, subscribed and fully paid

	Note	No. of Shares	Amount
As at April 1, 2021		**1,04,230**	**10.42**
Changes in equity shares	16	-	-
As at March 31, 2022		**1,04,230**	**10.42**
Changes in equity shares	16	-	-
As at March 31, 2023		**1,04,230**	**10.42**
Changes in equity share capital during the previous year	16		
Add: Increase in shares due to converison of debentures		544	0.06
Add: Increase in shares due to share Split		19,90,706	
Add: Bonus issue during the year		4,19,09,600	209.55
As at March 31, 2024		**4,40,05,080**	**220.03**

B. Other equity (Note 17)

Particulars	Reserves and surplus		Total
	Securities Premium	Retained earnings	
Balance as at April 1, 2021	**-**	**232.23**	**232.23**
Adjustments	-	-	-
Restated profit for the year	-	33.92	33.92
Restated other comprehensive income	-	0.01	0.01
Balance as at March 31, 2022	**-**	**266.16**	**266.16**
Restated profit for the year	-	228.13	228.13
Restated other comprehensive income/(loss)	-	(16.26)	(16.26)
Balance as at March 31, 2023	**-**	**478.03**	**478.03**
Profit for the year	-	581.34	581.34
Issue of bonus shares	(2.93)	(206.61)	(209.54)
Premium collected on conversion of convertible debentures	2.93	-	2.93
Loss on derecognition of subsidary	-	14.03	14.03
Restated other comprehensive income/(loss)	-	(0.87)	(0.87)
Balance as at March 31, 2024	**-**	**865.92**	**865.92**

Note: The above statement should be read with Material Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of adjustments to Restated Consolidated Financial Information in Annexure VI and Notes to Restated Consolidated Financial Information in Annexure VII.

As per our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Unimech Aerospace and Manufacturing Limited
(Formerly known as Unimech Aerospace and Manufacturing Private Limited)
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Krishnappayya Desai
Company Secretary
M No: A61281

Place: Bengaluru
Date: August 19, 2024

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Place: Bengaluru
Date: August 19, 2024

1 Corporate information

Unimech Aerospace and Manufacturing Limited (Formerly known as Unimech Aerospace and Manufacturing Private Limited) ("the Company" or "the Holding Company" or "the Parent Company") togerther with its subsidiaries (collectively, "the Group") was originally incorporated as a private limited company on August 12, 2016 and is converted into a public limited company on June 21, 2024, with Company identification no: U30305KA2016PLC095712. The Holding Company's registered office is at #538, 539, 542 & 543, 14th cross, 7th main, 4th phase, peenya industrial area, Bengaluru, Karnataka -560058.

The Group's main objective is to carry on the business of manufacturing products and components to be used in civil and defence aerospace sector.

These Restated consolidated financial information were approved for issue in accordance with a resolution of the board of directors on August 19, 2024

2 Summary of material accounting policies

These notes provide a list of the material accounting policies adopted in the preparation of this financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(a) Compliance

The Restated Consolidated Financial Information of the Group has been specifically prepared for inclusion in the Draft Red Herring Prospectus (the "DRHP") to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed Initial Public Offer of equity shares ("IPO") of the Company (referred to as the "issuer"). The Restated Consolidated Financial Information comprises 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 Changes in Equity and the Restated Consolidated Statement of Cash Flows and the material accounting policies and explanatory notes to Restated Consolidated Financial Information for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 (hereinafter collectively referred to as "Restated Consolidated Financial Information").

These Restated Consolidated Financial Information have been prepared by the Management of the Company to comply with the requirements of:
a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and
c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note") and
d. Email dated October 28, 2021 received from Securities and Exchange Board of India (SEBI) to Association of Investment Bankers if India (the "SEBI Communication").

The Restated Consolidated Financial Information have been compiled by the Management from:
a. Audited Consolidated Financial Statements of the Group as at and for the year ended March 31, 2024 prepared in accordance with the Indian Accounting Standards, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended (referred to as "Ind AS"), and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on July 03, 2024.
b. Audited Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2023 and the Audited Special Purpose Consolidated Financial statements of the Group as at and for the year ended March 31, 2022, which were prepared by the management of the Company after taking into consideration the requirements of SEBI letter and were approved for issue in accordance with the resolution passed by the Board of Directors at their meeting held on August 07, 2024.

Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Group voluntarily adopted March 31, 2024 as reporting date for first time adoption of Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), and consequently April 1, 2022 as the transition date for preparation of its statutory financial statements for the year ended March 31, 2024. Hence, the general purpose financial statements for the year ended March 31, 2024, were the first financials statements, prepared in accordance with Ind AS. Upto the financial year ended March 31, 2023, the Group had prepared its general purpose financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Companies (Accounting Standards) Rules, 2021 ("Indian GAAP" or "Previous GAAP") due to which the Special purpose Ind AS Consolidated Financial Statements are prepared as per SEBI Communication. Further, these Special Purpose Ind AS Consolidated Financial Statements are not the statutory financial statements of the Group under the Act.

The Special Purpose Consolidated Ind AS Financial Statements as at and for the year ended March 31, 2023 and The Special Purpose Consolidated Financial Statements March 31, 2022 has been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2022) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the year ended March 31, 2024 pursuant to the SEBI Communication.

The Special Purpose Consolidated Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in the Offer Documents in relation to proposed IPO. Hence this Special Purpose Consolidated Ind AS Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information.

These Restated Consolidated Financial Information were approved in accordance with a resolution of the Board of Directors on August 19, 2024.

All amounts disclosed in Restated Consolidated Financial Information are reported in nearest millions of Indian Rupees and are been rounded off to the nearest millions, except per share data and unless stated otherwise. Amounts mentioned as "0.00" in the denote amounts rounded off being less than one lakh rupees.

(b) Basis of measurement

The Restated consolidated financial Information have been prepared on a historical cost basis, except for net defined benefit employee obligations which is measured at the present value of defined benefit obligation.

(c) Current versus non-current classification

Based on the time involved between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

(d) Presentation currency and rounding off

All amounts disclosed in Restated consolidated financial Information and notes have been rounded off to the nearest millions and decimals thereof, as per requirement of Schedule III of the Act, unless otherwise stated. Amounts mentioned as "0.00" in the denote amounts rounded off being less than rupees ten thousands.

2.2 Basis of Consolidation

The Restated consolidated financial Information comprise the financial statements of the Company and its subsidiaries as at March 31, 2024.
Where the Group has control over an investee, it is classified as a subsidiary. The Group controls an investee if all three of the following elements are present:
(i) power over the investee,
(ii) exposure to variable returns from the investee, and
(iii) the ability of the investor to use its power to affect those variable returns.
Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Restated consolidated financial information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Restated consolidated financial Information for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Restated consolidated financial Information to ensure conformity with the Group's accounting policies.

The Restated consolidated financial information of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Restated consolidated financial Information at the acquisition date.
(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full) intragroup losses may indicate an impairment that requires recognition in the Restated consolidated financial Information.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 Summary of material accounting policies

(a) Property, plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Particulars	Useful Life
Factory buildings	30 years
Plant and equipment	4, 7.5 & 15 years
Furniture and fixtures	4 years
Computers	3 years
Office equipment	4 to 5 years
Vehicles	8 years
Leasehold improvements	Over useful life as per Schedule II or the remaining period of Lease term, whichever is lower

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values are not more than 5% of the original cost of the asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets (Software) and development costs are amortised over the useful economic life of 3 years on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period.

(c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(d) Leases

The Group assesses at contract inception whether a contract is or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(e) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials (Including packing materials): Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average method.

Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Stores and spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition and charged to statement of profit and loss on purchase.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

(f) Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(g) Foreign currencies

The Groups's Restated consolidated financial Information are presented in INR, which is also the Group functional currency.

Transactions in foreign currencies are initially recorded by the Group at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(h) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment and sale of services is recognised at the point in time by measuring the progress towards complete satisfaction of performance obligations during the reporting period.

Revenue is measured at transaction price (net of variable consideration, if any). The transaction price is the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of the government.

Revenue also includes adjustments made towards liquidated damages and price variations wherever applicable.

(i) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

(j) Taxes

Tax expense comprises current tax expense and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

MAT:

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

(k) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

(l) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Group operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group recognises expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

Longevity bonus liability is accrued for certain class of key managerial persons, as may be decided by the Board from time to time to recognise their immense contribution in driving the organisation, and payable upon their resignation or exit from the Company or substantial changes in the composition of the parent company's Board. Amount to be payable is calculated based on latest remuneration of the year multiplied by number of years. Longevity bonus is recognised as liability at the present value of the defined benefit obligation using actuarial valuation at the Balance sheet date.

(m) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as financial assets at amortised cost (debt instruments). A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as borrowings, payables or other financial liabilities, as appropriate. All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified as financial liabilities at amortised cost (loans and borrowings).

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(q) Interest Income

Interest income is recognised using effective interest rate method. The effective interest rate is rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

2.4 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Revenue recognition - estimating variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(b) Leases - estimating the incremental borrowing rate (IBR)

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the company's credit rating).

(c) Provision for expected credit losses (ECLs) of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for its customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(d) Defined benefit plan (post-employment gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(e) Useful lives of property, plant and equipment and intangible assets

Management reviews its estimate of the useful lives of property, plant and equipment and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment, right of use assets and intangible assets.

(f) Provision for warranties

The Group's product warranty obligations and estimations thereof are determined using historical information of claims received up to the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims.

(g) Deferred tax assets

Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

(All amounts are INR in Millions, unless otherwise stated)

Statement of restatement adjustments

For periods up to and including the year ended March 31, 2023, the Company prepared its financial statements in accordance with accounting standards referred to in paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) notified under section 133 of the Companies Act, 2013. The Restated Consolidated Financial Information have been compiled from the audited financial statements of the Company as at and for the year ended March 31, 2024 and the Audited Special Purpose Financial Statements of the Company as at and for the year ended March 31, 2023 & March 31, 2022 (refer basis of preparation para under Note 2.1).
In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2022, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its IGAAP financial statements, including the balance sheet as at April 01, 2022 and the financial statements as at and for the year ended March 31, 2023 and how the transition from IGAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

There is no difference between Restated Consolidated Financial Information, Audited Financial Statements and Audited Special Purpose Financial Statements of the Company as referred above. Reconciliations between the Restated Consolidated Financial Information and Audited Financial Statements (IGAAP) of the Company are set out in the following tables and notes.

A Reconciliations between the restated financial information and audited financial statements (IGAAP) of the Company.

1 Reconciliation of total equity as at March 31, 2023, March 31, 2022 and April 01, 2021

Particulars	Note	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Total equity (shareholder's funds) as per audited IGAAP Financials of respective years		525.01	261.37	207.09
Adjustments:				
Unwinding of discount on security deposits at amortised cost		0.25	0.09	-
Remeasurements of post-employment benefit obligations		22.81	0.90	0.95
Interest expense on Lease Liabilities		(4.87)	(2.80)	-
Depreciation on Right-of-use assets		(22.69)	(10.73)	-
Unwinding of security deposits		0.14	0.06	-
Gain on initial recognition of financial liability		0.58	0.58	0.58
Reversal of lease equalisation reserve		0.75	0.75	0.75
Impact to retained earnings on initial recognition of lease		(2.39)	(2.39)	(2.39)
Rent concession due to COVID		1.53	1.53	-
Adjustment to prepaid loan processing charges		0.27	0.22	0.05
Effect of Lease payments during the year		24.14	11.40	-
Expected credit loss allowance		(2.08)	(1.46)	(0.53)
amortization of interest on debentures		(0.51)	(0.24)	-
On initial recognition of leasehold land		-	-	(0.55)
Remeasurements of post-employment defined benefit plans through other comprehensive income		(22.81)	(0.90)	(0.95)
Deferred tax adjustment		5.12	1.82	(3.96)
Other adjustments		(47.22)	5.96	31.20
Total Adjustments	-	**(46.98)**	**4.79**	**25.15**
Total equity as per restated financial information	-	**478.03**	**266.16**	**232.24**

2 Reconciliation of profit and other comprehensive income/(loss) for the year ended March 31, 2023 and March 31, 2022

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/(loss) after tax as per as per audited IGAAP Financials of respective years		**265.41**	**54.32**
Adjustments:			
Unwinding of discount on security deposits at at amortized cost		0.24	0.15
Interest on lease liabilities		(2.06)	(2.80)
amortization on right-of-use assets		(11.96)	(9.92)
Prepaid loan processing charges adjusted through EIR		0.05	(0.09)
amortization of interest on debentures		(0.27)	(0.24)
Re-measurement gains/ (losses) on defined benefit plans		21.91	(0.06)
Rent concession due to practical expedient		-	1.53
Expected credit loss allowance		(0.62)	(0.93)
Effect of Lease payments during the year		12.74	11.40
Deferred tax adjustment		3.30	5.78
Other Adjustments		(60.61)	(25.22)
Total Adjustments		**(37.28)**	**(20.40)**
Profit for the year as per restated financial information		**228.13**	**33.92**
Other comprehensive income/(loss)			
Re-measurement gains/ (losses) on defined benefit plans		(21.91)	0.06
Income tax effect on above		5.65	(0.05)
Total comprehensive income for the year as per restated financial information		**211.87**	**33.93**

3 Statement of Restatement Adjustments to Audited Consolidated Financials Statements/Audited Special Purpose Consolidated Financial Information

Reconciliation between audited total comprehensive income and restated total comprehensive income *:

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
A. Total Comprehensive Income as per Audited Consolidated Financial Statements	580.47	211.87	33.93
B. Material restatement adjustments			
(i) Audit qualifications	-	-	-
(ii) Other material adjustments	-	-	-
- Change in Accounting policies	-	-	-
- Other adjustments	-	-	-
Total impact of Adjustments	-	-	-
C. Total Comprehensive Income as per Restated Consolidated Financial Information	580.47	211.87	33.93

*Amounts pertaining to audited Total Comprehensive Income for the year ended March 31, 2022 and March 31, 2023 is as per the Special Purpose Consolidated Financial information 31, 2022, which was prepared by the Holding Company, in response to SEBI communication. These Special Purpose Consolidated Financials Statements have been prepared as per basis of preparation as mentioned in Note 2.1 (a) of Annexure V to the Restated Consolidated Financial Information.

(All amounts are INR in Millions, unless otherwise stated)

Reconciliation between audited total equity (including NCI) and restated total equity *:

4

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
A. Total Equity as per Audited Consolidated Financial Statements * B. Material restatement adjustments	1,085.95	488.45	276.58
(i) Audit qualifications	-	-	-
(ii) Other material adjustments	-	-	-
- Change in Accounting policies	-	-	-
- Other adjustments	-	-	-
Total impact of Adjustments	-	-	-
C. Total Equity as per Restated Consolidated Financial Information	1,085.95	488.45	276.58

*Amounts pertaining to audited Total Comprehensive Income for the year ended March 31, 2022 and March 31, 2023 is as per the Special Purpose Consolidated Financial information 31, 2022, which was prepared by the Holding Company, in response to SEBI communication. These Special Purpose Consolidated Financials Statements have been prepared as per basis of preparation as mentioned in Note 2.1 (a) of Annexure V to the Restated Consolidated Financial Information.

Refer note annexure VI of note A for reconciliation of total equity as per special purpose consolidated financial statements as at March 31, 2023, March 31, 2022 and April 01, 2021 total equity as at the transition date i.e., April 01, 2022.

5 **Impact of restatement adjustment on the cash flows statement for the year ended March 31, 2023 and March 31, 2022**

The restatement adjustment has not made a material impact on the statement of cash flows.

6 **Reconciliation of the assets and liabilities presented in the balance sheet prepared as per as per audited IGAAP Financials and as per the restated statement of assets and liabilities is as follows:**

Particulars	Notes	As at March 31, 2023			As at March 31, 2022		
		IGAAP *	Adjustments	Restated	IGAAP*	Adjustments	Restated
ASSETS							
Non-current assets							
Property, Plant & Equipment		272.46	(56.75)	215.71	215.71	(55.46)	160.25
Right of use assets		-	70.87	70.87	-	82.83	82.83
Capital work-in-progress		0.40	-	0.40	30.25	-	30.25
Other intangible assets		2.84	(0.17)	2.67	3.54	0.05	3.59
Financial assets							
Other financial assets		-	6.85	6.85	-	30.80	30.80
Deferred tax assets (net)		14.56	(7.79)	6.77	0.97	6.56	7.53
Current tax assets (net)		-	0.40	0.40	-	0.68	0.68
Long-term loans and advances		11.57	(11.57)	-	-	-	-
Other non-current assets		5.34	(3.27)	2.07	13.15	(13.15)	-
Total non-current assets		**307.17**	**(1.43)**	**305.74**	**263.62**	**52.31**	**315.93**
Current assets							
Inventories		142.83	14.89	157.72	51.66	(4.42)	47.24
Financial assets							
Trade receivables		367.02	(45.72)	321.30	78.13	(2.98)	75.15
Cash and cash equivalents		98.46	(79.71)	18.75	107.29	(72.80)	34.49
Bank balances other than cash and cash equivalents		-	21.86	21.86	-	40.29	40.29
Other financial assets		-	59.96	59.96	-	17.58	17.58
Short-term loans and advances		91.67	(91.67)	-	30.11	(30.11)	-
Current tax assets (net)		-	-	-	1.84	0.34	2.18
Other current assets		9.25	38.83	48.08	10.29	25.59	35.88
Total current assets		**709.23**	**(81.56)**	**627.67**	**279.32**	**(26.51)**	**252.81**
Total assets		**1,016.40**	**(82.99)**	**933.41**	**542.94**	**25.80**	**568.74**
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital		10.42	-	10.42	10.42	-	10.42
Other equity		525.06	(47.03)	478.03	261.43	4.73	266.16
Total equity		**535.48**	**(47.03)**	**488.45**	**271.85**	**4.73**	**276.58**
LIABILITIES							
Non-current liabilities							
Financial liabilities							
Borrowings		47.36	(1.46)	45.90	114.15	(56.45)	57.70
Lease liabilities		-	9.52	9.52	-	17.74	17.74
Other financial liabilities		1.16	(1.16)	-	-	-	-
Provisions		77.14	(16.94)	60.20	46.74	(28.77)	17.97
Deferred tax liabilities (net)		-	1.38	1.38	4.79	(4.79)	-
Total non-current liabilities		**125.66**	**(8.66)**	**117.00**	**165.68**	**(72.27)**	**93.41**
Current liabilities							
Financial liabilities							
Borrowings		175.90	0.79	176.69	52.15	61.31	113.46
Lease liabilities		-	8.22	8.22	-	10.68	10.68
Trade payables							
i)Total outstanding dues of micro enterprises and small enterprises		-	16.62	16.62	-	9.66	9.66
ii)Total outstanding dues of creditors other than micro enterprises and small enterpris		38.21	14.48	52.69	32.17	(0.60)	31.57
Other financial liabilities		1.50	32.90	34.40	-	10.67	10.67
Other current liabilities		42.94	(36.00)	6.94	9.70	(1.84)	7.86
Provisions		96.71	(84.40)	12.31	11.39	(6.40)	4.99
Current tax liabilities (net)		-	20.09	20.09	-	9.86	9.86
Total current liabilities		**355.26**	**(27.30)**	**327.96**	**105.41**	**93.34**	**198.75**
Total liabilities		**480.92**	**(35.96)**	**444.96**	**271.09**	**21.07**	**292.16**
Total equity and liabilities		**1,016.40**	**(82.99)**	**933.41**	**542.94**	**25.80**	**568.74**

** The audited financial statements figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.*

(All amounts are INR in Millions, unless otherwise stated)

7 Reconciliation of the income and expenses presented in the statement of profit and loss prepared as per audited IGAAP financials and as per restated financial information is as follows:

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	IGAAP *	Adjustments	Restated	IGAAP *	Adjustments	Restated
Income						
Revenue from operations	986.15	(44.49)	941.66	361.72	1.77	363.49
Other income	13.37	(5.73)	7.64	10.39	(3.07)	7.32
Total income	**999.52**	**(50.22)**	**949.30**	**372.11**	**(1.30)**	**370.81**
Expenses						
Cost of materials consumed	388.69	(91.18)	297.51	146.04	(56.72)	89.32
Purchases of stock-in-trade	5.73	4.76	10.49	-	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(98.57)	(19.59)	(118.16)	(22.21)	4.20	(18.01)
Subcontractors charges	-	74.13	74.13	-	28.89	28.89
Employee benefits expense	241.50	(85.43)	156.07	103.12	(20.45)	82.67
Finance costs	11.12	7.70	18.82	8.84	7.60	16.44
Depreciation and amortization expense	27.54	13.26	40.80	21.18	9.77	30.95
Other expenses	109.73	66.26	175.99	56.09	47.28	103.37
Total expenses	**685.74**	**(30.09)**	**655.65**	**313.06**	**20.57**	**333.63**
Profit/(Loss) before tax for the year	**313.78**	**(20.13)**	**293.65**	**59.05**	**(21.87)**	**37.18**
Tax expenses						
Current tax	66.74	(8.99)	57.75	7.13	2.70	9.83
MAT credit	-	-	-	(6.53)	6.53	-
Deferred tax	(18.37)	26.14	7.77	4.13	(10.70)	(6.57)
Total tax expense	48.37	17.15	65.52	4.73	(1.47)	3.26
Profit for the year	**265.41**	**(37.28)**	**228.13**	**54.32**	**(20.40)**	**33.92**
Other comprehensive income/(loss)						
Items that will not be reclassified subsequently to profit and loss						
Remeasurements of post-employment defined benefit plans	-	(21.91)	(21.91)	-	-	0.06
Income tax effect on above	-	5.65	5.65	-	-	(0.05)
Total comprehensive income/(loss) for the year	**265.41**	**(53.54)**	**211.87**	**54.32**	**(20.40)**	**33.93**

** The audited financial statements figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.*

8 Notes :

(a) Lease liability and ROU assets
Under previous IGAAP, Leases are classified as operating leases and lease rentals under operating leases are recognised in the statement of profit or loss on a straight line basis over lease term.

Company as a Lessee
As per Ind AS 116, Leases in which substantially all the risks and rewards of ownership are transferred to the lessee are classified as finance leases. Finance leases are capitalised at the lease’s inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Further, lessee shall recognise a ROU asset and lease liability. The Company has adopted modified retrospective approach on the date of transition in arriving at the ROU asset and lease liability.

(b) Security deposits
Recognition of Right of use assets
Under the Indian GAAP, interest free security deposits for borrowings (that are refundable in cash on completion of the borrowings term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value using Effective Interest Rate (EIR) method at initial recognition. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid expenses. On this fair valued deposit, interest is accounted annually at EIR which will have an incremental impact on the interest income and security deposit every year. Further, portion of security deposit is shown as other Intangible Asset which will be amortised over the period of concession on straight line basis every year.

(c) Expected credit loss
Under Indian GAAP, the Company had recognised provision on trade receivables based on the expectation of the Company. Under Ind AS, the Company has to provide loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach". The Company uses an allowance matrix to measure the expected credit losses of trade receivables. The loss rates are computed using a 'roll rate' method based on the probability of receivable progressing through successive stages till full provision for the trade receivable is made. The Company had recognised additional provision by offsetting the provision created under IGAAP in other equity on the date of transition i.e., April 01, 2022 and reversed excess provision to the profit and loss for the year ended March 31, 2023.

(d) Remeasurements of post-employment benefit obligations
Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, re-measurements [comprising of actuarial gains and losses] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

(e) Deferred Tax
Under Indian GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, accounting of deferred taxes is done using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base and Deferred tax has been recognised on the account of adjustments made due to application of Ind AS. These Adjustments have resulted in increase in other equity with a corresponding impact in the statement of profit and loss for the year ended March 31, 2023.

(f) Borrowings
Under Indian GAAP borrowings are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognised at fair value using Effective Interest Rate (EIR) method at initial recognition. Accordingly, the Company has fair valued these borrowings under Ind AS. Difference between the fair value and transaction value of the borrowings has been recognised as prepaid loan processing charges which has been adjusted to borrowings. These prepaid loan processing charges are amortised over the term of the borrowings at EIR which will have an incremental impact on the finance cost and prepaid loan processing charges every year.

(g) Prior Period Adjustments
The Company has certain accruals of Employee benefit expenses, Deferred tax and restatement of forex balances which were not accounted in the year when the expense / restatement was incurred. During the current year, on transition to Ind AS, the Company has rectifed these errors by restating the transition date balance sheet as at April 01, 2022.

B Material regrouping :
There are no material regroupings made in the Audited Consolidated Financia lStatements/Audited Special Purpose Consolidated Financial Statements on account of restatement to any of the years presented in these Restated Consolidated Financial Information.

(All amounts are INR in Millions, unless otherwise stated)

C Other matter paragraph for the respective years, which do not require any adjustments in the restated consolidated Financial Information are as follows:

For the year ended March 31, 2024
Restated consolidated financial information - Other matters

(I) We did not audit the special purpose financial statements of one subsidiary, whose financial statements reflect total assets of INR 15.27 million as at December 18, 2024, total revenues of INR 2.54 million and net cash outflows amounting to INR (0.40) million for the period ended on that date, as considered in the consolidated financial statements. These special purpose financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

The Restated consolidated financial information of the Company for the year ended March 31, 2023, were audited by another auditor whose report dated September 29, 2023 expressed an unmodified opinion on those statements.

The comparative financial information of the Group for the year ended March 31, 2023 and the transition date opening balance sheet as at April 01, 2022 included in these Restated consolidated financial information, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2021, specified under Section 133 and other relevant provisions of the Act audited by the predecessor auditor whose report for the year ended March 31, 2023 and March 31, 2022 dated September 29, 2023 and September 29, 2022 respectively expressed an unmodified audit opinion on those Restated consolidated financial information, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion on the Restated consolidated financial information is not modified in respect of the above matters.

III **Auditor's Comment in Annexure to Auditors' Report, which do not require any corrective adjustments in the Consolidated Restated Financial Information.**

In addition to the audit opinion on the Restated consolidated financial information, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013 as at and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively. Certain statements/comments included in the CARO in the standalone financial statements of the parent Company, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented.

For the year ended March 31, 2024

a **Clause (vii) (a) of CARO 2020 Order**

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.

b **Clause (vii) (b) of CARO 2020 Order**

According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub Clause (a) above which have not been deposited as on March 31, 2024 on account of any dispute, are as follows

Name of the statute	Nature of dues	Amount Demanded INR in million	Amount Paid INR in million	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax and interest there on	28.62	5.72	AY 2023-24	Commissioner of Income Taxes (Appeals)
Income Tax Act, 1961	Income tax and interest there on	0.92	0.18	AY 2023-24	Commissioner of Income Taxes (Appeals)

As per our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Pankaj S Bhauwala
Partner
Membership No: 233552

Place: Bengaluru
Date: August 19, 2024

For and on behalf of the Board of Directors of
Unimech Aerospace and Manufacturing Limited
(Formerly known as Unimech Aerospace and Manufacturing Private Limited)

Anil Kumar Puttan
Chairman & Managing Director
DIN: 07683267

Place: Bengaluru
Date: August 19, 2024

Ramakrishna Kamojhala
Director and CFO
DIN: 07004517

Krishnappayya Desai
Company Secretary
M No: A61281

Place: Bengaluru
Date: August 19, 2024

Unimech Aerospace and Manufacturing Limited
(Formerly Known as Unimech Aerospace and Manufacturing Private Limited)
(CIN : U30305KA2016PLC095712)
Annexure VII : Notes to Restated Consolidated Financial Information
(All amounts are INR in Millions, unless otherwise stated)

3 (a) Property, plant and equipment

Description	Factory buildings	Plant and equipment	Furniture and fixtures	Computers	Office equipment	Vehicles	Leasehold improvements	Total
Gross carrying amount								
Deemed Cost as at April 01, 2021	**88.44**	**58.80**	**2.50**	**1.38**	**5.42**	**0.02**	**4.44**	**161.00**
Additions	1.41	14.63	1.41	2.14	1.22	0.74	-	21.55
Disposals	-	(2.38)	(1.74)	(0.75)	(0.64)	-	(0.30)	(5.81)
Adjustment on account of Ind AS transition (Note 3.2)	(4.02)	(7.70)	-	(0.58)	(1.51)	(0.06)	(2.62)	(16.49)
Balance as at March 31, 2022 (Note 3.1)	**85.83**	**63.35**	**2.17**	**2.19**	**4.49**	**0.70**	**1.52**	**160.25**
Additions	6.11	67.37	4.02	3.41	1.25	-	-	82.16
Adjustments	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	**91.94**	**130.72**	**6.19**	**5.60**	**5.74**	**0.70**	**1.52**	**242.41**
Additions	78.40	168.28	1.81	3.60	9.74	8.88	1.16	271.87
Disposals	-	(4.83)	-	-	-	-	-	(4.83)
IND AS Adjustments	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	**170.34**	**294.17**	**8.00**	**9.20**	**15.48**	**9.58**	**2.68**	**509.45**
Accumulated depreciation								
Accumulated depreciation as at April 01, 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	4.02	8.28	1.07	1.03	1.75	0.06	2.79	19.00
Disposals/adjustments	-	(0.58)	(1.07)	(0.45)	(0.24)	-	(0.17)	(2.51)
Adjustment on account of Ind AS transition (Note 3.2)	(4.02)	(7.70)	-	(0.58)	(1.51)	(0.06)	(2.62)	(16.49)
Balance as at March 31, 2022 (Note 3.1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	4.12	15.89	1.55	1.56	1.95	0.10	1.53	26.70
Disposals/adjustments	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	**4.12**	**15.89**	**1.55**	**1.56**	**1.95**	**0.10**	**1.53**	**26.70**
Depreciation for the year	5.13	21.75	1.61	2.48	1.77	0.77	0.16	33.67
Disposals/adjustments	-	(1.64)	-	-	-	-	-	(1.64)
Balance as at March 31, 2024	**9.25**	**36.00**	**3.16**	**4.04**	**3.72**	**0.87**	**1.69**	**58.73**
Net carrying amount as at March 31, 2022	**85.83**	**63.35**	**2.17**	**2.19**	**4.49**	**0.70**	**1.52**	**160.25**
Net carrying amount as at March 31, 2023	**87.82**	**114.83**	**4.64**	**4.04**	**3.79**	**0.60**	**(0.01)**	**215.71**
Net carrying amount as at March 31, 2024	**161.09**	**258.17**	**4.84**	**5.16**	**11.76**	**8.71**	**0.99**	**450.72**

3.1 Deemed cost

The Group has elected to continue with the carrying value of its Property, Plant or Equipment recognised as of April 1, 2022 measured as per the Indian GAAP and used that carrying value as its deemed cost as on April 1, 2022.

3.2 Adjustment on account of Ind AS transition

For the purpose of preparation of statutory financial statements for the year ended March 31, 2024, the Group has elected to continue with the carrying value of its Property, Plant or Equipment recognised as of April 1, 2022 measured as per the Indian GAAP and used that carrying value as its deemed cost as on April 1, 2022. Accordingly, the accumulated depreciation up to March 31, 2022 has been adjusted with the gross block as on March 31, 2022.

3.3 Property, plant and equipment hypothecated as security

Refer to note 44 for information on property, plant and equipment hypothecated as security by the Group.

3.4 Contractual obligations

Refer to note 46 for details on contractual commitments for acquiring property, plant and equipment.

(All amounts are INR in Millions, unless otherwise stated)

3 (b) Right-of-use assets/ Lease liabilities

For the purpose of Restated Financial Information, the Company has adopted Ind AS 116, effective annual reporting period beginning April 01, 2021 and applied the standard to its leases, under modified retrospective transition method.

The Group has elected not to apply the requirements of Ind AS 116 "Leases" to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term except inflation adjustment.

The Group has lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

(i) Movement in Right of use assets and Lease liabilities is given below:

a. Right of Use Assets

Description	Land	Plant and equipment	Buildings	Total
Cost as at April 1, 2021	**55.97**	**-**	**31.56**	**87.53**
Additions	-	4.77	0.45	5.22
Disposals	-	-	-	-
Cost as at March 31, 2022	**55.97**	**4.77**	**32.01**	**92.75**
Additions	-	-	-	-
Disposals	-	-	-	-
Cost as at March 31, 2023	**55.97**	**4.77**	**32.01**	**92.75**
Additions	-	-	1.14	1.14
Disposals	-	-	-	-
Cost as at March 31, 2024	**55.97**	**4.77**	**33.15**	**93.89**
Accumulated depreciation as at April 1, 2021	**-**	**-**	**-**	**-**
Adjustment on account of transition to Ind AS	-	-	-	-
amortization for the year	0.57	1.40	7.95	9.92
Disposals	-	-	-	-
Accumulated depreciation as at March 31, 2022	**0.57**	**1.40**	**7.95**	**9.92**
amortization for the year	0.57	3.36	8.03	11.96
Disposals	-	-	-	-
Accumulated depreciation as at March 31, 2023	**1.14**	**4.76**	**15.98**	**21.88**
amortization for the year	0.57	-	8.59	9.16
Disposals	-	-	-	-
Accumulated depreciation as at March 31, 2024	**1.71**	**4.76**	**24.57**	**31.04**
Net carrying amount as at March 31, 2022	**55.40**	**3.37**	**24.06**	**82.83**
Net carrying amount as at March 31, 2023	**54.83**	**0.01**	**16.03**	**70.87**
Net carrying amount as at March 31, 2024	**54.26**	**0.01**	**8.58**	**62.85**

b. Lease Liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Opening balance	**17.74**	**28.42**	**33.78**
Due to transition to Ind AS 116 on April 1, 2021	-	-	-
Additions during the year	1.14	-	4.77
Rent concession due to covid	-		(1.53)
Interest expense on lease liabilities	1.42	2.06	2.80
Payment of lease liabilities	(9.90)	(12.74)	(11.40)
Closing balance	**10.40**	**17.74**	**28.42**
Less: Current Lease liabilities	10.40	8.22	10.68
Non Current Lease liabilities	**-**	**9.52**	**17.74**

(ii) The following are the amounts recognised in profit or loss:

	Year ended March 31, 2024	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Interest expense on lease liabilities (Refer note 31)	1.42	2.06	2.80
Amortisation on right-of-use assets* (Refer note 32)	8.59	11.39	9.35

* Exclusive of leasehold land

(iii) Amounts recognised in the statement of cash flows

	Year ended March 31, 2024	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Total cash outflows with respect to leases	9.90	12.74	11.40
Total	**9.90**	**12.74**	**11.40**

(iv) Right-of-use assets hypothecated as security

Refer to note 44 for information on right-of-use assets hypothecated as security by the Group.

(v) In right-of-use assets, the group has taken land on lease from Karnataka Industrial Area Development Board (KIADB) for a period of 99 years.

(All amounts are INR in Millions, unless otherwise stated)

4 Capital work-in-progress

	Amount
Balance as at April 1, 2021	**25.09**
Additions	8.04
Transfers	(2.87)
Balance as at March 31, 2022	**30.26**
Additions	1.84
Transfers	(31.70)
Balance as at March 31, 2023	**0.40**
Additions	232.76
Transfers	(232.92)
Balance as at March 31, 2024	**0.24**

Ageing - Capital Work In Progress

Project in progress	Amount in Capital Work In Progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022	8.04	22.22	-	-	30.26
As at March 31, 2023	0.40	-	-	-	0.40
As at March 31, 2024	0.24	-	-	-	0.24

There are no projects as CWIP as at March 31, 2024, March 31, 2023 and April 1, 2022 whose completion is overdue or cost of which has exceeded in comparison to its original plan.

CWIP of INR 82.42 Millions (March 31, 2023: INR 6.61 Millions & March 31, 2022: INR 2.87 Millions) has been capitalised under factory building, INR 153.06 Millions (March 31, 2023: INR 26.53 Millions & March 31, 2022: Nil) has been capitalised under plant and equipment during the year ended March 31, 2024 and INR 2.90 Millions has been capitalised under furniture and fixtures (March 31, 2023: Nil & March 31, 2022: Nil)

Unimech Aerospace and Manufacturing Limited
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Annexure VII : Notes to Restated Consolidated Financial Information
(All amounts are INR in Millions, unless otherwise stated)

5 Intangible assets

	Software	Development costs	Total
Gross block			
Balance as at April 1, 2021	**3.83**	-	**3.83**
Additions	1.79	-	1.79
Adjustment on account of Ind AS transition (Note 5.2)	(2.03)	-	(2.03)
Balance as at March 31, 2022 (Note 5.1)	**3.59**	**-**	**3.59**
Additions	1.61	0.56	2.17
Disposals	(1.08)	-	(1.08)
Balance as at March 31, 2023	**4.12**	**0.56**	**4.68**
Additions	6.58	-	6.58
Disposals	(1.25)	(0.56)	(1.81)
Balance as at March 31, 2024	**9.45**	**-**	**9.45**
Accumulated amortization			
Balance as at April 1, 2021	-	-	-
amortization for the year	2.03	-	2.03
Disposals	-	-	-
Adjustment on account of Ind AS transition (Note 5.2)	(2.03)		(2.03)
Balance as at March 31, 2022	**-**	**-**	**-**
amortization for the year	2.02	0.12	2.14
Disposals	(0.13)	-	(0.13)
Balance as at March 31, 2023	**1.89**	**0.12**	**2.01**
amortization for the year	1.68	0.13	1.81
Disposals	(0.55)	(0.25)	(0.80)
Balance as at March 31, 2024	**3.02**	**-**	**3.02**

Net block			
Balance as at March 31, 2024	**6.43**	**-**	**6.43**
Balance as at March 31, 2023	**2.23**	**0.44**	**2.67**
Balance as at March 31, 2022	**3.59**	**-**	**3.59**

5.1 Deemed cost

The Group has elected to continue with the carrying value of its intangible assets recognised as of April 1, 2022 measured as per the Indian GAAP and used that carrying value as its deemed cost as on April 1, 2022

5.2 Adjustment on account of Ind AS transition

For the purpose of preparation of consolidated financial statements for the year ended March 31, 2024, the Group has elected to continue with the carrying value of its intangible assets recognised as of April 1, 2022 measured as per the Indian GAAP and used that carrying value as its deemed cost as on April 1, 2022. Accordingly, the accumulated depreciation up to March 31, 2022 has been adjusted with the gross block as on March 31, 2022.

(All amounts are INR in Millions, unless otherwise stated)

6 Other financial assets

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non-current (at amortised cost)			
(Unsecured considered good)			
Deposits			
Security deposits	4.42	4.09	6.64
Bank deposits with remaining maturity more than 12 months	4.36	2.76	24.16
Total	**8.78**	**6.85**	**30.80**

Refer to note 39 for information about the Group's exposure to financial risks.

7 Other non-current assets

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(Unsecured, Considered good)			
Capital advances	85.10	1.87	-
Prepaid expenses	-	0.20	-
Total	**85.10**	**2.07**	**-**

8 Non Current tax assets (net)

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Advance income tax(net of provision for tax)	-	0.40	0.68
Total	**-**	**0.40**	**0.68**

9 Inventories

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(At lower of cost or net realisable value)			
Raw materials (including packing materials)*	12.68	16.02	21.10
Work in progress	171.70	109.11	26.14
Finished goods	12.95	28.02	-
Stock-in-trade	-	4.57	-
Total	**197.33**	**157.72**	**47.24**

* Includes goods in transit of INR 7.57 Millions (March 31, 2023: Nil and March 31, 2022: Nil)

9.1 Inventories hypothecated as security

Refer to note 44 for information on inventories hypothecated as security by the Group.

10 Trade receivables

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Trade receivables			
Considered good - unsecured	489.22	332.00	78.13
Less: Loss allowance	(3.55)	(2.08)	(1.46)
Less: Liquidated damages	(17.25)	(8.62)	(1.52)
Total	**468.42**	**321.30**	**75.15**

10.1 Trade receivables ageing schedule:

As at March 31, 2024

Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	178.05	305.17	5.28	0.67	0.05	-	489.22
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Sub total	**178.05**	**305.17**	**5.28**	**0.67**	**0.05**	**-**	**489.22**
Less: Expected credit loss allowance							(3.55)
Less: Liquidated damages							(17.25)
Total							**468.42**

(All amounts are INR in Millions, unless otherwise stated)

As at March 31, 2023

Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	215.07	113.06	1.78	0.56	-	1.52	332.00
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Sub total	**215.07**	**113.06**	**1.78**	**0.56**	**-**	**1.52**	**332.00**
Less: Expected credit loss allowance							(2.08)
Less: Liquidated damages							(8.62)
Total							**321.30**

As at March 31, 2022

Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	57.61	15.59	2.82	0.71	-	1.41	78.13
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Sub total	**57.61**	**15.59**	**2.82**	**0.71**	**-**	**1.41**	**78.13**
Less: Expected credit loss allowance							(1.46)
Less: Liquidated damages							(1.52)
Total							**75.15**

10.2 There are no trade receivables which are either due from directors or other officers of the Group either severally or jointly with any other person nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

10.3 Trade receivables are non-interest bearing and are generally on terms of 30-120 days.

10.4 Refer to note 39 for information about the Group's exposure to financial risks.

10.5 Trade Receivables hypothecated as security
Refer to note 44 for information on trade receivables hypothecated as security by the Company.

11 Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Balances with banks			
In current accounts	42.29	11.65	27.91
In EEFC accounts	19.45	7.07	6.58
Deposit with original maturity for less than 3 months	10.01	-	-
Cash on hand	0.03	0.03	-
Total	**71.78**	**18.75**	**34.49**

Refer to note 44 for information on cash and cash equivalents hypothecated as security by the Group and note 39 for information about the Group's exposure to financial risks.

12 Bank balances other than cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
At amortised cost			
Deposits with original maturity for more than 3 months but less than 12 months	2.38	3.40	15.90
Deposits held as margin money for guarantee	2.23	18.46	22.02
Earmarked Balances with Banks*	-	-	2.37
	4.61	**21.86**	**40.29**

Refer to note 44 for information on cash and cash equivalents hypothecated as security by the Group and note 39 for information about the Group's exposure to financial risks.
* CSR account balances

13 Other current financial assets

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good			
Interest accrued on deposits	-	0.02	-
Advances to related parties (Note 35.3)	-	0.50	0.50
Advances to employees	1.28	1.08	0.94
Other Receivables	0.65	0.85	0.16
Deposit with original maturity for more than 3 months but less than 12 months	42.24	6.21	10.70
Bank deposits with original maturity of more than 12 months but remaining maturity is less than 12 months	194.87	51.30	5.28
Total	**239.04**	**59.96**	**17.58**

Refer to note 44 for information on other current financial assets hypothecated as security by the Group and note 39 for information about the Group's exposure to financial risks.

14 Current tax assets (net)

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Advance income tax, net of provision for tax	39.58	-	2.18
Total	**39.58**	**-**	**2.18**

Refer to note 44 for information on current tax assets hypothecated as security by the Group.

15 Other current assets

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Advances to suppliers	65.04	27.15	6.28
Balances with government authorities	30.67	16.02	24.80
Prepaid expenses	5.94	1.90	1.00
Government grants	-	3.01	3.80
Other receivables (refer note 15.1)	14.18	-	-
Total	**115.83**	**48.08**	**35.88**

Refer to note 44 for information on other current assets hypothecated as security by the Group.

15.1 During the year ended March 31, 2024, the Company has incurred expenses towards proposed Initial Public Offering ("IPO") of its equity shares and the qualifying expenses attributable to the proposed issue of equity shares has been recognised as other current assets. The Company expects to recover certain amounts from its shareholders and the balance amount would be netted off in securities premium account in accordance with Section 52 of The Companies Act, 2013 upon the shares being issued.

16 **Equity Share capital**	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorized share capital						
Equity shares of INR 5 each (2023: INR 100 each, 2022: INR 100 each)	6,00,00,000	300.00	1,10,000	11.00	1,10,000	11.00
	6,00,00,000	**300.00**	**1,10,000**	**11.00**	**1,10,000**	**11.00**
Issued, subscribed and paid up						
Equity shares of INR 5 each (2023: INR 100 each, 2022: INR 100 each), fully paid-up	4,40,05,080	220.03	1,04,230.00	10.42	1,04,230	10.42
Total	**4,40,05,080**	**220.03**	**1,04,230.00**	**10.42**	**1,04,230**	**10.42**

16.1 Reconciliation of authorised share capital

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
Particulars	No. of shares	Amount in millions	No. of shares	Amount in millions	No. of shares	Amount in millions
Outstanding at the beginning of the period/year	1,10,000	11.00	1,10,000	11.00	1,10,000	11.00
Changes during the year	5,98,90,000	289.00	-	-	-	-
Outstanding at the end of the year	**6,00,00,000**	**300.00**	**1,10,000**	**11.00**	**1,10,000**	**11.00**

16.2 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
Particulars	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	1,04,230	10.42	1,04,230	10.42	1,04,230	10.42
Add: Increase in shares due to converison of debentures	544	0.06	-	-	-	-
Add: Increase in shares due to share split	19,90,706	-	-	-	-	-
Add: Bonus issue during the year	4,19,09,600	209.55	-	-	-	-
Outstanding at the end of the year	4,40,05,080	220.03	1,04,230	10.42	1,04,230	10.42

(a) Increase in authorized share capital and Sub-division/ Split of equity shares

Pursuant to the Shareholders resolution dated December 23, 2023, Company split 1,10,000 equity shares of INR 100 each divided into 22,00,000 equity shares of INR 5 each and increased authorized share capital of the Company from INR 11.00 Millions to INR 300.00 Millions by addtional creation of 5,98,90,000 equity shares of INR 5 each.

(b) Bonus issue of equity shares

Pursuant to the Shareholders resolution dated December 27, 2023, the Company has issued 419,09,600 equity shares having face value of INR 5 each by way of bonus issue to its shareholders by utilising an amount of INR 209.55 Millions from the balance in retained earnings and securities premium in the ratio of 1:20. The paid-up share capital of the Company has been increased to 4,40,05,080 equity shares of face value of INR 5 each as at the end of Financial Year March 31, 2024

16.3 Rights, preferences and restrictions attached to shares

Equity shares have a face value of INR 5 each holder of equity shares is entitled to participate in dividends. The dividend proposed by the board of directors is subject to the approval of the shareholders in the annual general meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts and distribution will be in proportion to the number of equity shares held by the shareholders.

16.4 Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Holding Company:

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
Name of Shareholder	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Rashmi Anil Kumar Puttan	15,40,180	3.50%	35,439	34.00%	35,439	34.00%
Anil Kumar Puttan	1,33,44,200	30.32%	-	0.00%	-	0.00%
Ramakrishna Kamojhala	78,79,620	17.91%	18,761	18.00%	18,761	18.00%
Mani Puttan	78,79,620	17.91%	18,761	18.00%	18,761	18.00%
Preetham Shimoga	52,53,360	11.94%	12,508	12.00%	12,508	12.00%
Rajanikanth Balaraman	78,79,620	17.91%	18,761	18.00%	18,761	18.00%

16.5 Aggregate number of shares issued pursuant to contract without payment being received in cash, for consideration other than cash, bonus shares allotted and shares bought back during the period of five years immediately preceding the reporting date

There are no such shares issued, allotted or bought back during the period of five years immediately preceding the reporting date.

(All amounts are INR in Millions, unless otherwise stated)

16.6 Shares reserved for issue under options and contracts or commitments of the sale of shares or disinvestment, including the terms and amounts

There are no shares reserved for issue under any options and contracts or commitments of the sale of shares or disinvestment.

16.7 Shareholding of promoters

Name of promoter	As at March 31, 2024			As at March 31, 2023			As at March 31, 2022	
Equity shares of INR 5 each fully paid-up (2023: INR 100 each, 2022: INR 100 each)	**No. of Shares**	**% Holding**	**% Change during the period**	**No. of Shares**	**% Holding**	**% Change during the year**	**No. of Shares**	**% Holding**
Anil Kumar Puttan	1,33,44,200	30.32%	100.00%	-	-	-	-	-
Ramakrishna Kamojhala	78,79,620	17.91%	41900.00%	18,761	18.00%	-	18,761	18.00%
Mani Puttan	78,79,620	17.91%	41900.00%	18,761	18.00%	-	18,761	18.00%
Preetham Shimoga	52,53,360	11.94%	41900.00%	12,508	12.00%	-	12,508	12.00%
Rajanikanth Balaraman	78,79,620	17.91%	41900.00%	18,761	18.00%	-	18,761	18.00%
Rashmi Anil Kumar	15,40,180	3.50%	4246.00%	35,439	34.00%	-	35,439	34.00%
Total	**4,37,76,600**	**99.48%**		**1,04,230**	**100.00%**	**-**	**1,04,230**	**100.00%**

17 Other equity

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Retained earnings (Note 17.1)	865.92	478.03	266.16
Total	**865.92**	**478.03**	**266.16**

17.1 Movement in reserves and surplus

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Retained earnings			
Opening balance	478.03	266.16	232.23
Restated profit for the year	581.34	228.13	33.92
Less: Utilised on issue of bonus shares (Refer note 16.2(b))	(206.61)	-	-
Loss on derecognition of subsidary	14.03	-	-
Items of OCI recognised directly in retained earnings			
Remeasurements of post-employment defined benefit plans (net of tax)	(0.87)	(16.26)	0.01
Closing balance	**865.92**	**478.03**	**266.16**
Securities Premium			
Opening balance	-	-	-
Premium collected on conversion of convertible debentures	2.93	-	-
Issue/Utilised on issue of bonus shares	(2.93)	-	-
Closing balance	-	-	-

17.2 Nature and purpose of items in other equity

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any dividends or other distributions to shareholders and these can be utilised as per the Provisions of the Companies Act, 2013.

Securities Premium

Securities premium issued to record the premium on issue of shares.The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

18 Non-current borrowings

		As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Secured				
Term loans				
From Bank				
Indian Rupee Loan	18(1)(i)	25.33	6.28	9.35
USD loans	18(1)(ii)	153.01	60.29	56.93
From financial institutions	18(1)(iii)	-	11.31	18.33
Unsecured				
Debentures				
0.01% Convertible debentures	18(1)(iv)	-	-	2.66
		178.34	77.88	87.27
Less: Current maturities of long term debt		(53.16)	(31.98)	(29.57)
Total		**125.18**	**45.90**	**57.70**

The details of financial and non financial assets hypothecated as security for borrowings are disclosed in Note 44.

Refer to note 39 for information about the Group's exposure to financial risks.

(All amounts are INR in Millions, unless otherwise stated)

18.1	Security details and terms of repayment	No. of instalments remaining as at March 31, 2024	Maturity date as at March 31, 2024	Interest rate (p.a.) as at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(i)	**Indian Rupee term loans from banks**						
	-Secured by way of hypothecation of current assets of the firm both present and future.	N.A.	N.A.	Repo+3.85%	-	1.25	2.25
	-Secured by way of hypothecation of machinery acquired out of loan availed	N.A.	N.A.	Floating interest rate Linked to Repo rate	-	5.03	7.10
	-Secured by way of hypothecation of Company's entire current asset both present and future	N.A.	August 2024	Repo rate+1.5% i.e., 8%	20.00	-	-
	- Hypothecation of asset created out of term loans	56	November 2028	Repo+1.6%	25.33	-	-
	-Secured by way of hypothecation of Company's entire current asset both present and future	N.A.	yable within 180 d	180 days Repo + 1.5% i.e., 8%	90.15	-	-
	-Secured by way of hypothecation of of asset created out of term loans	N.A.	June 2024	Repo+1.6%	0.07	-	-
					135.55	**6.28**	**9.35**
(ii)	**USD term loans from banks**						
	-Secured by way of hypothecation of entire present and future movable fixed assets of the Company including plant and machinery, equipment, fixtures and commercial vehicles (excluding fixed assets funded by any other financial institution) on exclusive basis.	17	August 2025	Secured overnight financing rate plus 350 basis points (approx. 7.20%)	24.69	41.53	55.27
		44	November 2027		14.20	17.76	-
	'-Secured by way of hypothecation of land & building, machinery along with a guarantee provided by the parent company and promoter directors.	54	September 2028	Secured overnight financing rate	66.32	-	-
		57	December 2028	Secured overnight financing rate plus 100 basis point	47.80	-	-
	Secured by way of hypothecation of Company's entire current asset both present and future	N.A.	Payable within 180 days	180 days Repo + 1.5% i.e., 8%	-	116.24	55.03
					153.01	**175.54**	**110.30**
(iii)	**Indian Rupee term loans from a financial institution**						
	-Secured by way of hypothecation of machinery purchased out of the term loan. Guarantee for the loan have been provided by the parent company as well as promoter directors.	N.A.	N.A.	10.50%	-	9.45	13.40
		N.A.	N.A.	10.15%	-	-	1.54
	Secured by way of hypothecation of CNC vertical machining center	N.A.	N.A.	10.50%	-	1.86	3.39
					-	**11.31**	**18.33**
(iv)	**Debentures**	N.A.	N.A.	0.01%		2.93	2.66

During the year ended March 31, 2018, the Company issued 15,000 debentures at a face value of INR 100 each and during the year ended March 31, 2019, the Company issued 15,000 debentures at a face value of INR 100 each. In the event of Company secures the participation from a financial investor, venture capitalist, private equity players etc for their growth plans in 3 years time, the existing debentures would be converted in to equity shares at the valuation set by the financial investors or venture capitalist. In case Company fails to secure the participation from the major investor, the Company shall be obliged to convert the debentures in to shares at nil discount in accordance with the registered valuer or chartered accountant, however the investor will have a right to ask for repayment of debentures along with the interest after 3 years. In such event, the Company is obliged to repay the principle along with the interest at nominal rate of 0.01% simple rate of interest. The fair value of the liability was determined as at April 1, 2021. The fair value of the liability, included in non-current borrowings, at inception was calculated using a market interest rate for an equivalent instrument without conversion option. The discount rate applied was 9.25%.

Movement in carrying amount of liability during the year is as follows:	**Amount**
Carrying amount of liability as at April 1, 2021	2.42
Interest	0.24
Carrying amount of liability as at April 1, 2022	2.66
Interest	0.27
Carrying amount of liability as at March 31, 2023	**2.93**
Interest	0.07
Converted into equity shares	(3.00)
Carrying amount of liability as at March 31, 2024	**-**

(All amounts are INR in Millions, unless otherwise stated)

(v)	**Euro term loans from banks**				**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
	-Secured by way of hypothecation of Company's entire current asset both present and future	N.A.	N.A.	6 months Libor +1.75%	-	26.53	30.52

18.2 Disclosure on bank guarantees

The company has given corporate guarantee for the loans availed by Innomech Aerospace Toolings Private Limited, a wholly owned subsidiary of the Company, to the extent of INR 350.00 Millions (March 31, 2023; INR 138.75 Millions, March 31, 2022; INR 126.10 Millions).

18.3 Net debt reconciliation

	Borrowings	Lease liabilities	Total
Net debt as on April 1, 2021	140.77	33.78	174.55
Cash flows	-	-	
Principal paid on lease liabilities	-	(8.60)	(8.60)
Interest paid on lease liabilities	-	(2.80)	(2.80)
Proceeds from borrowings	382.72	-	382.72
Interest paid on borrowings	(14.62)	-	(14.62)
Repayment of borrowings	(355.33)	-	(355.33)
Non-cashflows			
Interest expense	11.96	2.80	14.76
Interest on guarantee liability	-	-	-
New leases	0.24	4.77	5.01
Guarantee commission adjustment	2.43	-	2.43
Effects of changes in foreign exchange rates	3.00	(1.53)	1.47
Bank charges	-	-	-
Prepaid loan processing charges adjusted through EIR	0.01	-	0.01
Discounting of Financial Liability (Convertible debentures)	0.24	-	0.24
Adjustment of security deposit paid for borrowing	(0.26)	-	(0.26)
Net debt as at March 31, 2022	**171.16**	**28.42**	**199.58**
Cash flows	-	-	-
Proceeds from borrowings	559.77	-	559.77
Repayment of borrowings	(510.84)	-	(510.84)
Interest paid on borrowings	(16.93)	-	(16.93)
Interest paid on lease liabilities	-	(1.80)	(1.80)
Principal paid on lease liabilities	-	(10.81)	(10.81)
Non-cashflows			
Interest expenses	15.69	1.93	17.62
Interest on guarantee liability	0.82	-	0.82
Loan processing fee	0.18	-	0.18
Exchange loss	2.51	-	2.51
Bank charges	-	-	-
Amortisation of loan processing charges	0.30	-	0.30
Prepaid loan processing charges adjusted through EIR	(0.16)	-	(0.16)
Adjustment of security deposit paid for borrowing	0.09	-	0.09
Net debt as at March 31, 2023	**222.59**	**17.74**	**240.33**
Proceeds from borrowings	556.58	-	556.58
Repayment of borrowings	(459.59)	-	(459.59)
Interest paid on borrowings	(20.79)	-	(20.79)
Guarantee commission adjustment	(10.50)	-	
Interest paid on lease liabilities	-	(1.42)	(1.42)
Principal paid on lease liabilities	-	(8.48)	(8.48)
Non-cash flows:			
Interest expenses	20.75	1.42	22.17
Conversion of convertible debentures into equity shares during the year	(2.99)	-	(2.99)
Addition to lease liabilities	-	1.14	1.14
Bank guarantee issue charges	0.03	-	0.03
Effects of changes in foreign exchange rates	0.71	-	0.71
Other adjustments	(18.23)	-	(18.23)
Net debt as at March 31, 2024	**288.56**	**10.40**	**309.46**

19 Current borrowings

		As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Secured				
Term loans				
From banks				
Indian Rupee loans	18(1)(i)	110.22	-	-
USD loans	18(1)(ii)	-	115.25	53.37
Euro loans	18(1)(v)	-	26.53	30.52
Current maturities of long term debts				
Term loans from banks	18(1)(i)	53.16	28.06	25.65
Term loans from financial institutions	18(1)(iii)	-	3.92	3.92
Unsecured				
Current maturities of long term debts				
0.01% Convertible debentures	18(1)(iv)	-	2.93	-
Total		**163.38**	**176.69**	**113.46**

The details of financial and non financial assets hypothecated as security for borrowings are disclosed in Note 44.

Refer to note 39 for information about the Group's exposure to financial risks.

(All amounts are INR in Millions, unless otherwise stated)

20 Trade payables

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Trade payables			
- Total outstanding dues of micro and small enterprises	23.32	16.62	9.66
- Total outstanding dues of creditors other than micro and small enterprises	111.90	52.69	31.57
Total	**135.22**	**69.31**	**41.23**

Refer to note 39 for information about the Group's exposure to financial risks.

20.1 MSMED disclosure

Based on the information available with the Group, there are outstanding dues and payments made during the year ended March 31, 2024, March 31, 2023 and March 31, 2022 to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006. There is interest payable or paid during the year ended March 31, 2024, March 31, 2023 and March 31, 2022 to any suppliers under the said Act.

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year:			
Principal	22.85	16.31	9.49
Interest	0.47	0.31	0.17
Total	**23.32**	**16.62**	**9.66**
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.16	0.14	0.17
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	0.47	0.31	0.17

20.2 Trade payables ageing schedule as at March 31, 2024

Particulars	Unbilled dues	Payables Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.87	15.30	6.88	0.14	0.13	-	23.32
(ii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iii) Others	35.66	35.69	39.49	1.06	-	-	111.90
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	**36.53**	**50.99**	**46.37**	**1.20**	**0.13**	**-**	**135.22**

Trade payables ageing schedule as at March 31, 2023

Particulars	Unbilled dues	Payables Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1.85	14.36	0.38	0.03	-	-	16.62
(ii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iii) Others	11.51	29.19	11.19	0.78	0.02	-	52.69
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	**13.36**	**43.55**	**11.57**	**0.81**	**0.02**	**-**	**69.31**

Trade payables ageing schedule as at March 31, 2022

Particulars	Unbilled dues	Payables Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.30	8.43	0.93	-	-	-	9.66
(ii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iii) Others	2.99	18.20	8.26	2.09	0.03	-	31.57
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	**3.29**	**26.63**	**9.19**	**2.09**	**0.03**	**-**	**41.23**

20.3 Trade payables are non-interest bearing and are normally settled on 30-60 days.

21 Provisions

	Non-current			Current		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Provision for rework and warranty costs	-	-	-	20.47	8.93	3.44
Provision for employee benefits						
Gratuity (Note 37(b))	-	2.32	1.47	2.43	0.07	0.06
Longevity bonus	-	57.88	16.50	134.91	0.43	0.17
Compensated absences	-	-	-	5.88	2.88	1.32
Provision for litigations	-	-	-	32.04	-	-
Total	**-**	**60.20**	**17.97**	**195.73**	**12.31**	**4.99**

(All amounts are INR in Millions, unless otherwise stated)

21.1 Movement in provision for rework and warranty costs

	Amount
As at April 1, 2021	-
Provision charged to profit and loss	4.65
Provisions used during the year	(1.21)
Balance as at March 31, 2022	**3.44**

	Amount
As at April 1, 2022	3.44
Provision charged to profit and loss	8.89
Provisions utilised/reversed during the year	(3.40)
Balance as at March 31, 2023	**8.93**

	Amount
As at April 1, 2023	**8.93**
Provision charged to profit and loss	13.32
Provisions utilised/reversed during the year	(1.78)
Balance as at March 31, 2024	**20.47**

22 Deferred tax assets/liabilties (net)

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Deferred tax assets			
Property, plant and equipment and intangible assets	1.50	0.57	4.73
Provisions	3.05	3.93	2.46
Trade receivables	0.57	0.48	0.37
Lease liabilities	2.62	4.47	6.24
Borrowings	-	-	0.04
Others	0.05	2.18	1.87
	7.79	**11.63**	**15.71**
Deferred tax liabilities			
Property, plant and equipment and intangible assets	-	(1.45)	(0.40)
Right-of-use assets	(2.16)	(4.04)	(6.06)
Borrowings	-	(0.06)	-
Others	-	(0.69)	(1.73)
	(2.16)	**(6.24)**	**(8.19)**
Deferred tax assets (net)	**5.63**	**5.39**	**7.52**

22.1 Deferred tax assets/liabilties (net)

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Opening balance	5.39	2.79	(3.65)
Tax credit recognised in the restated consolidated statement of profit and loss	0.24	3.98	11.17
Total	**5.63**	**6.77**	**7.52**

Reconciliation of deferred tax liabilities (net):

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Opening balance	-	4.73	-
Tax credit recognised in the restated consolidated statement of profit and loss	-	(6.11)	-
Total	**-**	**(1.38)**	**-**

Unused tax credits for which no deferred tax asset is recognised	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Minimum alternate tax credit	174.18	55.27	10.05

23 Other Current Financial Liabilities

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Security deposits	-	1.16	1.16
Employee benefits payable	26.15	31.95	9.09
Interest accrued and due on borrowings	-	0.00	-
Other payables	0.48	1.29	0.42
Capital Creditors	7.05	-	-
Total	**33.68**	**34.40**	**10.67**

(All amounts are INR in Millions, unless otherwise stated)

24 Other Current liabilities

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Statutory dues	5.29	6.82	3.75
Liabilities for corporate social responsibility	-	0.02	4.12
Advance from customers	-	0.10	-
Other Payables (Refer note 15.1)	1.51	-	-
Total	**6.80**	**6.94**	**7.87**

25 Current tax liabilities (net)

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current tax payable	-	63.91	10.59
Less: Advance tax (including TDS receivables)	-	(43.82)	(0.73)
	-	**20.09**	**9.86**

(All amounts are INR in Millions, unless otherwise stated)

26	**Revenue from operations**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
	Revenue from contracts with customers			
	Sale of goods	2,076.65	896.80	348.38
	Sale of services	3.47	29.00	9.12
		2,080.12	**925.80**	**357.50**
	Other Operating revenue	7.63	15.86	5.99
	Total	**2,087.75**	**941.66**	**363.49**

Nature of goods

	For the year ended March 31, 2024	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Manufactured			
- Manufacturing of aerospace toolings and components	2,074.12	891.79	348.38
- Air purifiers	2.53	2.76	-
- Air quality monitoring system	-	0.13	-
Trading			
- Air purifiers	-	1.08	-
- Air quality monitoring system	-	1.04	-
Total	**2,076.65**	**896.80**	**348.38**

Nature of services

	For the year ended March 31, 2024	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Upgradation and rework services	3.47	29.00	9.12
Total	**3.47**	**29.00**	**9.12**

Other operating revenues

	For the year ended March 31, 2024	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Rental Income	1.03	2.25	1.58
Scrap sales	2.62	3.57	0.81
Duty drawbacks received*	1.88	2.82	1.33
Merchant exporter incentive*	-	2.96	2.24
Other sales	2.10	4.26	0.03
Total	**7.63**	**15.86**	**5.99**

* There are no unfulfilled conditions attached to recognition of duty drawbacks and merchant exporter incentive

26.1 Disaggregated revenue information

Geographic revenue

	For the year ended March 31, 2024	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Within India	49.26	45.21	32.48
Outside India	2,038.49	896.45	331.01
Total	**2,087.75**	**941.66**	**363.49**

Timing of revenue recognition

	For the year ended March 31, 2024	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Products and services transferred at a point in time	2,087.75	941.66	363.49
Total	**2,087.75**	**941.66**	**363.49**

26.2	**Reconciliation of contract price with revenue during the year**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
	Revenue as per contract price	2,096.68	949.41	366.84
	Adjustments:			-
	- Sales returns	(0.30)	(0.65)	(1.83)
	- Liquidated damages	(8.63)	(7.10)	(1.52)
	Revenue from contracts with customers	**2,087.75**	**941.66**	**363.49**

26.3 Performance obligations:

Sale of products:
The performance obligation with respect to sale of products is satisfied at a point in time that is the when control over the goods is transferred to the customers, generally on the delivery of the goods at the agreed destination as per the terms of contract with customers.

Sale of services:
The performance obligation with respect to sale of services is satisfied at a point in time by measuring the progress towards complete satisfaction of performance obligations during the reporting period.

27	Other income	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	Interest income			
	On fixed deposits at amortized cost	15.41	3.85	4.08
	On income taxes	-	0.06	-
	Unwinding of discount on security deposits at at amortized cost	0.18	0.24	0.15
	Gains on foreign exchange transactions (net)	31.32	2.10	1.03
	Government grants*	1.56	0.15	0.10
	Profit on sale of assets	1.04	0.30	-
	Rent concession	-	-	1.53
	Miscellaneous income	0.58	0.94	0.43
	Profit on sale of investments	0.02	-	-
	Total	**50.11**	**7.64**	**7.32**

*Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

28	Cost of materials consumed	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
28.1	Opening Stock of Raw material	13.43	21.10	7.35
	Add: Purchases	485.56	289.84	103.07
	Less: Closing Stock of Raw material	(12.68)	(13.43)	(21.10)
	Total	**486.31**	**297.51**	**89.32**

28.2	Purchases of stock-in-trade	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	Purchases of stock-in-trade	6.08	10.49	-
	Total	**6.08**	**10.49**	**-**

28.3	Changes in inventories of finished goods, work in progress and stock in trade	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	Inventory at the beginning of the year			
	- Stock-in-trade	7.17	-	-
	- Work-in-progress	109.11	26.14	8.13
	- Finished goods	28.02	-	-
	Total	**144.30**	**26.14**	**8.13**
	Inventory at the end of the year			
	- Stock-in-trade	-	7.17	-
	- Work-in-progress	171.70	109.11	26.14
	- Finished goods	22.31	28.02	-
	Total	**194.01**	**144.30**	**26.14**
	Net increase	**49.71**	**118.16**	**18.01**
	Total Material Consumed	**536.02**	**415.67**	**107.33**

29	Subcontractor charges	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	Subcontractor charges	269.14	74.13	28.89
	Total	**269.14**	**74.13**	**28.89**

30	Employee benefits expense	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	Salaries, wages and bonus	302.19	145.43	77.08
	Contribution to provident and other funds[(refer note 37(a)]	5.35	4.08	1.96
	Gratuity and compensated absences expenses[refer note 37(b)]	2.15	1.14	0.69
	Staff welfare expenses	14.71	5.42	2.94
	Total	**324.40**	**156.07**	**82.67**

31	Finance costs	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	Interest on borrowings at amortised cost	20.26	12.66	11.72
	Interest on income tax	-	3.78	1.52
	Interest on lease liabilities	1.42	2.06	2.80
	Interest on delayed payments to micro enterprises and small enterprises	0.11	0.14	0.17
	Guarantee commission expenses	10.50	-	-
	Loan processing fee	-	0.18	0.23
	Bank Guarantee issue charges	0.03	-	-
	Total	**32.32**	**18.82**	**16.44**

Refer to note 35 for interest on borrowings from related parties.

32	Depreciation and amortization expense	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	Depreciation on property, plant and equipment	33.67	26.70	19.00
	amortization of lease hold land	0.57	0.57	0.57
	amortization on right-of-use assets	8.59	11.39	9.35
	amortization on intangible assets	1.81	2.14	2.03
	Total	**44.64**	**40.80**	**30.95**

33	Other expenses	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	Stores and spares consumed	14.92	11.50	5.49
	Manpower support cost	45.79	19.73	9.11
	Utilities ^	13.97	10.23	7.95
	Repairs and maintenance			
	- Factory & Building	2.26	3.65	0.70
	- Plant and machineries	3.06	1.38	2.80
	- Vehicles	0.12	-	-
	- Others	2.53	0.34	0.22
	Factory expenses	1.37	1.01	2.43
	Freight outward	0.01	7.66	3.64
	Security charges	4.60	2.88	2.52
	Office expenses	0.07	-	-
	Printing and stationery	2.24	1.34	1.08
	Information technology expenses	1.57	2.31	1.09
	Insurance	2.56	1.06	0.65
	Legal and professional charges	108.05	74.67	41.84
	Recruitment cost	1.53	0.42	0.04
	Audit fee(Note 33.1)	1.29	0.40	0.59
	Sales promotion	1.47	12.40	1.83
	Expected credit loss allowance	1.47	0.62	0.93
	Travelling and conveyance	13.17	7.68	4.62
	Communication expenses	0.54	0.70	0.89
	Rates and taxes	14.82	4.03	1.73
	Bank charges	0.93	1.28	1.52
	Rework and warranty costs	13.32	8.89	4.65
	Loss on sale of assets	-	-	0.59
	Contributions towards corporate social responsibility (refer note 33.2)	2.75	-	1.78
	Loss on foreign exchange transactions (net)	-	-	1.65
	Subscription charges	0.50	-	-
	Bad debts	2.82	-	2.26
	Miscellaneous expenses	1.95	1.81	0.77
	Total	**259.68**	**175.99**	**103.37**

^Including Power & Fuel

33.1 The following is the break-up of audit fees (exclusive of goods and service tax)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit fee*			
As auditor			
- Statutory audit	1.29	0.30	0.48
- Tax audit and others	-	0.10	0.11
Total	**1.29**	**0.40**	**0.59**

*The above fees does not include the special purpose audit fees

33.2 Corporate Social Responsibility

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent by the respective entities in the Group during the year	2.75	-	1.78
Amount of expenditure incurred	2.75	1.78	-
Shortfall at the end of the year	-	-	1.78
Total of previous years shortfall	-	-	1.78
Reason for Shortfall			Refer note below
Nature of CSR activities	Apprenticeship Training under Apprentices Act, 1961	Plantation and skill-development	Plantation and skill-development

Note - The Holding Company was not able to transfer the accumulated funds to CSR bank account till the previous year due to closure of Axis bank account. All the accumulated funds amounting to INR 0.025 Millions (till March 31, 2021) had been transferred to "Axis Bank - 919020075634644" on March 28, 2022. Further, current year provision amounting to INR 1.78 Millions had been created on March 31, 2022 and yet to transfer to the specified bank account. However, whole amount stands unspent till March 31, 2022 and estimated to spend all the monies in bank by September 30, 2022.

(All amounts are INR in Millions, unless otherwise stated)

34 ***Additional information as required under Schedule III of the Companies Act, 2013 of entities consolidated as subsidiaries***

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Net Assets, i.e. total assets minus total liabilities		Net Assets, i.e. total assets minus total liabilities		Net Assets, i.e. total assets minus total liabilities	
	As % of Consolidated net assets	Amount	As % of Consolidated net assets	Amount	As % of Consolidated net assets	Amount
A. Parent Company						
Unimech Aerospace and Manufacturing Limited	24.38%	264.75	48.72%	237.99	77.61%	214.65
B. Subsidiaries incorporated in India				-		
Innomech Aerospace Toolings Private Limited	77.23%	838.64	58.08%	283.67	26.16%	72.35
Unimech Healthcare Private Limited	0.00%	-	-1.47%	(7.19)	0.00%	
Less: Elimination entries	-1.61%	(17.44)	-5.33%	(26.02)	-3.77%	(10.42)
	75.62%	821.20	51.28%	250.46	22.39%	61.93
	100.00%	**1085.95**	**100.00%**	**488.45**	**100.00%**	**276.58**

	For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	Share in profit/(loss)		Share in profit/(loss)		Share in profit/(loss)	
	As % of Consolidated profit	Amount	As % of Consolidated profit	Amount	As % of Consolidated profit	Amount
A. Parent Company						
Unimech Aerospace and Manufacturing Limited	4.17%	24.25	9.32%	21.27	-34.49%	(11.70)
B. Subsidiaries incorporated in India						
Innomech Aerospace Toolings Private Limited	97.00%	563.91	93.86%	214.13	134.46%	45.61
Unimech Healthcare Private Limited	-1.17%	(6.83)	-3.20%	(7.29)	0.00%	-
Less: Elimination entries	0.00%	0.01	0.01%	0.02	0.03%	0.01
	95.83%	**557.09**	**90.67%**	**206.86**	**134.49%**	**45.62**
	100.00%	**581.34**	**100.00%**	**228.13**	**100.00%**	**33.92**

	For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	Share in other comprehensive income		Share in other comprehensive income		Share in other comprehensive income	
	As % of Consolidated profit	Amount	As % of Consolidated profit	Amount	As % of Consolidated profit	Amount
A. Parent Company						
Unimech Aerospace and Manufacturing Limited	54.02 %	(0.47)	(12.67)%	2.06	300.00 %	0.03
B. Subsidiaries incorporated in India						
Innomech Aerospace Toolings Private Limited	44.83 %	(0.39)	112.73 %	(18.33)	(200.00)%	(0.02)
Unimech Healthcare Private Limited		-		-		-
Less: Elimination entries	1.15 %	(0.01)	(0.06)%	0.01	-	-
	45.98%	**(0.40)**	**112.67%**	**(18.32)**	**-200.00%**	**(0.02)**
	100.00%	**(0.87)**	**100.00%**	**(16.26)**	**100.00%**	**0.01**

(All amounts are INR in Millions, unless otherwise stated)

35 Related party disclosures

In accordance with the requirements of Ind AS - 24 'Related party disclosures', names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are:

35.1 Names of related parties and description of relationship:

	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest		
			As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Subsidiaries					
Innomech Aerospace Toolings Private Limited	India	Manufacture of aerospace tools	99.99%	99.99%	99.90%
Unimech Healthcare Private Limited (Up to 18th December 2023)	India	Trading of healthcare products	-	99.99%	-

Key Management Personnel (KMP)
(Directors)
Mr. Anil Kumar Puttan
Mr. Ramakrishna Kamojhala
Mr. Mani Puttan
Mr. Preetham Shimoga
Mr. Rajanikanth Balaraman

Relatives of KMP
Mrs. Savitha K Nayar
Mrs. Rashmi Anil Kumar Puttan
Mrs. Shruthi C S
Mrs. Mamatha Kumar
Mr. P Sathyanarayana
Mrs. Sulochana T
Miss. Dakshayini
Miss. Prema K S
Mrs. Meenakshi K K

Individuals having significant interest
Mrs. Rashmi Anil Kumar Puttan

35.2 Details of transactions with related parties for the year ended:

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	Key Management Personnel			
(a)	**Employee Benefit expenses**			
	Remuneration*			
	Mr. Anil Kumar Puttan	12.80	4.98	4.91
	Mr. Mani Puttan	12.80	4.98	3.13
	Mr. Preetham Shimoga	12.80	4.98	3.13
	Mr. Rajanikanth Balaraman	12.80	4.98	-
	Mr. Ramakrishna Kamojhala	17.61	10.88	4.69
(b)	**Relatives of KMP**			
	Mrs. Rashmi Anil Kumar Puttan	5.87	4.98	1.69
	Mrs. Savitha K Nayar	6.35	4.98	0.06
	Mrs. Shruthi C S	6.14	1.98	0.06
	Mrs. Mamatha Kumar	6.93	1.77	0.42
	Mr. P Sathyanarayana	-	1.98	-
	Mrs. Sulochana T	-	1.98	-
	Miss. Dakshayini	1.23	-	-
	Mrs. Meenakshi K K	-	0.92	
	Guarantee Commission			
	Mr. Anil Kumar Puttan	2.10	-	-
	Mr. Mani Puttan	2.10	-	-
	Mr. Preetham Shimoga	2.10	-	-
	Mr. Rajanikanth Balaraman	2.10	-	-
	Mr. Ramakrishna Kamojhala	2.10	-	-

*Managerial remuneration does not include cost of employee benefits such as other long term employee benefits. Since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

(All amounts are INR in Millions, unless otherwise stated)

35.3 Outstanding balances in relation to related parties

	Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	Key Management Personnel			
(a)	**Advances receivable**			
	Mr. Anil Kumar Puttan	-	0.50	0.50
(b)	**Employee benefits payable**			
	Mr. Anil Kumar Puttan	-	-	0.44
	Mr. Mani Puttan	-	0.90	0.51
	Mr. Preetham Shimoga	-	0.86	0.56
	Mr. Ramakrishna Kamojhala		6.10	1.27
	Mr. Rajanikanth Balaraman		2.05	0.01
(c)	**Relatives of Directors**			
	Mrs. Rashmi Anil Kumar Puttan	-	2.41	0.40
	Mrs. Mamatha Kumar	-	1.59	-
	Mrs. Meenakshi K K	-	0.82	-
	Mrs. Savitha K Nayar	-	2.50	0.05
	Mr. P Sathyanarayana	-	1.78	-
	Mrs. Sulochana T		1.78	-
	Other payables			
	Mr. Anil Kumar Puttan	-	0.05	0.00
	Mr. Preetham Shimoga	-	0.04	-
	Mr. Ramakrishna Kamojhala	-	-	0.00

35.4 Terms and conditions of transactions with related parties

Transactions with related parties were made in the ordinary course of business. Outstanding balances at the year-end with related parties are unsecured and interest free to be settled in cash.

35.5 Transactions and outsanding balances within the Group: (these transactions have been eliminated in Restated Consolidated Summary Statements)

(i)	<u>Transactions by Innomech Aerospace Toolings Private Limited</u>	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a)	**Immediate and ultimate parent company**			
	Unimech Aerospace and Manufacturing Limited			
	(formerly Known as Unimech Aerospace and Manufacturing Private Limited)			
	Issue of equity share capital	-	10.00	-
	Purchase of raw materials	2.38	0.08	0.13
	Subcontractors charges	33.78	0.07	25.20
	Machine Rent	5.43	3.74	1.29
	IT, Technical and Support Service	45.21	25.00	20.00
	Interest on borrowings (as per effective interest rate)	0.49	3.00	5.07
	Loans taken	3.21	85.74	79.10
	Repaid during the year	55.13	102.51	108.60
	Guarantee Commission	10.50	4.36	2.92
	Purchase of PPE	0.31	-	-
	Outstanding balances in relation to related parties			
(b)	**Immediate and ultimate parent company**			
	Unimech Aerospace and Manufacturing Limited			
	Trade payables	-	3.32	51.36
	Borrowings	-	51.71	68.49
	Advance to suppliers	4.07	-	-
(c)	**Corporate guarantees provided by parent company**			
	Guarantees provided	350.00	284.30	145.50
	Borrowings outstanding against which gurantees are received	268.55	177.72	120.08
(ii)	<u>Transactions by Unimech Aerospace and Manufacturing Limited</u>			
	<u>(formerly Known as Unimech Aerospace and Manufacturing Private Limited)</u>			
(a)	**Subsidiaries**			
	Sale of products and services			
	Innomech Aerospace Toolings Private Limited	87.12	28.89	46.62
	Unimech Healthcare Private Limited	-	9.29	-
	Loans given			
	Innomech Aerospace Toolings Private Limited	3.21	85.74	79.10
	Unimech Healthcare Private Limited	4.10	23.73	-
	Advances given/(repaid)			
	Innomech Aerospace Toolings Private Limited	55.13	102.51	108.60
	Unimech Healthcare Private Limited	(27.83)	-	-

(All amounts are INR in Millions, unless otherwise stated)

	Interest income			
	Innomech Aerospace Toolings Private Limited	0.49	3.00	5.07
	Unimech Healthcare Private Limited	-	0.24	-
	Guarantee fee income			
	Innomech Aerospace Toolings Private Limited	10.50	5.18	3.56
	Guarantee fee Expense	-	0.82	0.64
	Innomech Aerospace Toolings Private Limited			
	Outstanding balances in relation to related parties			
(b)	**Subsidiaries**			
	Loans			
	Innomech Aerospace Toolings Private Limited	-	51.71	68.48
	Unimech Healthcare Private Limited	-	23.73	-
	Trade receivables			
	Innomech Aerospace Toolings Private Limited	-	3.32	51.36
	Unimech Healthcare Private Limited	-	0.76	-
	Advances from related parties			
	Innomech Aerospace Toolings Private Limited	4.07	-	-
(iii)	**Transactions by Unimech Healthcare Private Limited**			
(a)	**Immediate and ultimate parent company**			
	Unimech Aerospace and Manufacturing Limited			
	(formerly Known as Unimech Aerospace and Manufacturing Private Limited)			
	Purchase of rawmaterial			
	Unimech Aerospace and Manufacturing Limited	-	9.29	-
	(formerly Known as Unimech Aerospace and Manufacturing Private Limited)			
	Borrowings			
	Unimech Aerospace and Manufacturing Limited	4.10	23.73	-
	(formerly Known as Unimech Aerospace and Manufacturing Private Limited)			
	Borrowings (Repaid)			
	Unimech Aerospace and Manufacturing Limited	(27.83)	-	-
	(formerly Known as Unimech Aerospace and Manufacturing Private Limited)			
	Interest income			
	Unimech Healthcare Private Limited	-	0.24	-
(b)	**Outstanding balances in relation to related parties**			
	Trade receivables			
	Unimech Healthcare Private Limited	-	0.76	-
	Borrowings			
	Unimech Aerospace and Manufacturing Limited	-	23.73	-
	(Formerly known as Unimech Aerospace and Manufacturing Private Limited)			

(All amounts are INR in Millions, unless otherwise stated)

36 Earnings per equity share

Basic earnings per share amounts is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share amounts is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	**Earnings used in calculating earnings per equity share**			
	Basic earnings per share			
	Restated profit attributable to equity shareholders as per statement of profit and loss	581.34	228.13	33.92
	Diluted earnings per share			
	Restated profit attributable to equity shareholders as per statement of profit and loss	581.34	228.13	33.92
(b)	**Weighted average number of shares used as denominator**			
	Equity shares outstanding as at April 1	1,04,230	1,04,230	1,04,230
	Add: Increase in shares due to converison of debentures*	408	408	408
	Add: Impact of share split as on December 23, 2023 (Note 16.1(a))	19,88,122	19,88,122	19,88,122
	Add: Bonus shares issued on December 27, 2023 (Note 16.1(b))*	4,18,55,200	4,18,55,200	4,18,55,200
	Weighted average number of equity shares outstanding during the year for basic EPS	**4,39,47,960**	**4,39,47,960**	**4,39,47,960**
	Adjustments for calculation of diluted EPS:			
	Add: Convertible debentures	136	136	136
	Weighted average number of equity shares adjusted for the effect of dilution	**4,39,48,096**	**4,39,48,096**	**4,39,48,096**

(c) Information regarding the classification of securities

Convertible debentures

The Company has issued 30,000 convertible debentures issued during the financial year ended March 31, 2019 are considered to be potential equity shares of 544 shares and have been included in the determination of diluted earnings per share from their date of issue.

		March 31, 2024	March 31, 2023	March 31, 2022
(d)	**EPS**			
	Basic earnings/ (Loss) per equity share (INR)	13.23	5.19	0.77
	Diluted earnings/ (Loss) per equity share (INR)	13.23	5.19	0.77

(e) Previous year ended March 31, 2023 and March 31, 2022 earnings per share has been restated to give impact of share split and bonus shares for ordinary shares and potential ordinary shares.

(All amounts are INR in Millions, unless otherwise stated)

35 **37. Employee benefits**

(a) Defined contibtion plans

Contributions were made to provident fund and Employee State Insurance in India for the Company as per the regulations. These conrtibutions are made to registered funds administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any other contructive obligation

During the year, the Company has recognised the following amounts in the Restated Consolidated Statement of Profit and Loss:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Employer's contribution to provident fund	5.12	3.84	1.85
Employer's contribution to Employee State Insurance	0.23	0.24	0.11

b) Defined benefit plan- Gratuity

Information regarding gratuity plan

The Group has a defined benefit gratuity plan in India (Gratuity plan). The Gratuity plan is a final salary plan for India employees. The Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under this Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Reconciliation of defined benefit obligation

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	2.39	1.53	0.95
Interest cost	0.17	0.11	0.07
Benefits paid during the year	(0.22)	(0.12)	-
Current service cost	2.20	1.03	0.63
Included in profit and loss	**2.15**	**1.02**	**0.70**
Remeasurement loss/(gain)			
Actuarial loss/(gain) arising from:			
Changes in demographic assumptions	-	-	-
Changes in financial assumptions	0.22	(0.00)	(0.07)
Experience adjustments	0.94	(0.15)	(0.05)
Included in other comprehensive income	**1.16**	**(0.16)**	**(0.12)**
Balance as at the end of the year	**5.70**	**2.39**	**1.53**
Classified as:			
Non-current	-	2.32	1.47
Current	2.43	0.07	0.06
	2.43	**2.39**	**1.53**

Reconciliation of Planned Assets	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Opening balance			
Employers contribution	-	-	-
Interest on plan assets	3.05	-	-
Administration expenses	-	-	-
Remeasurements due to	-	-	-
- Actuarial return on plan assets less interest on plan assets	(0.05)	-	-
Benefits paid	-	-	-
Closing Balance	**3.00**	-	-

The net liability disclosed above relates to funded and unfunded plans are as follows:

Present value of defined benefit obligation	5.69	-	-
Fair value of plan assets	3.00	-	-
Deficity of funded plans	**2.69**	-	-
Unfunded plans	-	2.39	1.53
Deficity before asset ceiling	**2.69**	**2.39**	**1.53**

(c) Actuarial assumptions	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.23%	7.53%	7.53%
Rate of future increase in salary	12.00%	12.00%	12.00%
Expected return on planned assets	7.53%	0.00%	0.00%
Attrition rate			
Employee served for 4 years and below	20.00%	20.00%	20.00%
Employee served 5 years and above	5.00%	5.00%	5.00%

The weighted-average duration of the defined benefit obligation as at March 31, 2024 was 13.84 - 14.35 years (March 31, 2023: 14.27 - 15.04 years, March 31, 2022: 14.75 - 14.80 years) for gratuity plan.

(All amounts are INR in Millions, unless otherwise stated)

(d) Categories of plan assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Assets under insurance schemes	100%	0%	0%

(e) Sensitivity analysis

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Discount rate			
1% increase	0.02	(0.26)	(0.16)
1% decrease	0.75	0.31	0.20
		-	-
Future increase in salary		-	-
1% increase	0.69	0.29	0.18
1% decrease	(0.57)	(0.24)	(0.15)
		-	-
Attrition rate		-	-
1% increase	(0.31)	(0.13)	(0.08)
1% decrease	0.36	0.15	0.10

(e) Maturity analysis

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Within one year	0.28	0.07	0.06
Between one and two years	0.21	0.08	0.05
Between two and three years	0.16	0.05	0.05
Between three and four years	0.13	0.03	0.03
Between four and five years	0.12	0.03	0.03
Between five and ten years	0.47	0.13	0.08
Later than ten years	4.06	1.91	1.23

(g) Defined benefit plan- Longetivity

Longevity bonus liability is accrued for certain class of key managerial persons, as may be decided by the Board from time to time to recognise their immense contribution in driving the organisation, and payable upon their resignation or exit from the Company or substantial changes in the composition of the parent company's Board. Amount to be payable is calculated based on latest remuneration of the year multiplied by number of years. Longevity bonus is recognised as liability at the present value of the defined benefit obligation using actuarial valuation at the Balance sheet date.

Particulars	As at March 31, 2024 *	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	58.31	16.67	5.19
	-	-	-
Interest cost	-	1.26	0.39
Benefits paid during the year	-	-	-
Current service cost	-	18.21	11.03
Actuarial (Gains)/Loss	-	22.17	0.06
Incremental obligation on termination*	76.60	-	-
Balance as at the end of the year	**134.91**	**58.31**	**16.67**

***** Pursuant to board resolution dated March 30, 2024, Company terminated longetivity scheme and recorded actual provision in the books of accounts.

Actuarial assumptions

	As at March 31, 2024 *	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	-	7.52%/7.57%	7.52%/7.51%
Expected return on Assets	-	0.00%	0.00%
Rate of future increase in salary	-	12.00%	12.00%
Attrition rate	-	5.00%	5.00%
Classified as:			
Non-current	-	57.88	16.50
Current	134.91	0.43	0.17

(All amounts are INR in Millions, unless otherwise stated)

38 Fair value measurements

38.1 The carrying amounts of financial assets and liabilities by categories

At amortised cost

Particulars	Notes	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Financial assets				
Trade receivables	10	468.42	321.30	75.15
Cash and cash equivalents	11	71.78	18.75	34.49
Bank balances other than cash and cash equivalents	12	4.61	21.86	40.29
Other financial assets (non-current)	6	8.78	6.85	30.80
Other financial assets (current)	13	239.04	59.96	17.58
Total financial assets		**792.63**	**428.72**	**198.31**
Financial liabilities*				
Borrowings (non-current)	18	125.18	45.90	57.70
Borrowings (current)	19	163.38	176.69	113.46
Trade payables	20	135.22	69.31	41.23
Other financial liabilities (current)	23	33.68	34.40	10.67
Total financial liabilities		**457.46**	**326.30**	**223.06**

*Excluding lease liabilities

38.2 Fair value hierarchy

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

38.3 Methods and assumptions

The management assessed that the fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables, other financial liabilities and borrowings approximate the carrying amount largely due to short-term maturity of this instruments.

39 Financial risk management objectives and policies

39.1 The Group is exposed to various financial risks. These risks are categorised into market risk, credit risk and liquidity risk. The Group's risk management is coordinated by the board of directors and focuses on securing long term and short term cash flows. The Group does not engage in trading of financial assets for speculative purposes.

39.2 Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of the financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivable and payables and loans and borrowings. The Group is exposed to market risk primarily related to foreign exchange rate risk (currency risk) and interest rate risk. Thus the Group's exposure to market risk is a function of borrowing activities, revenue generating and operating activities in foreign currencies.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.
The Group manages its interest rate risk by having a balanced portfolio of fixed borrowings amounting to Nil (March 31, 2023: INR 15.24 million, march 31, 2022: INR 22.54 million) and variable rate borrowings amounting to INR 288.56 million (March 31, 2023: INR 207.35 million, March 31, 2022: INR 148.62 million).

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's profit before tax will be affected through the impact on floating rate borrowings, as follows:

Particulars	As at	Closing balance	Impact on profit before tax	
			1% Increase	1% Decrease
Variable rate borrowings	March 31, 2024	288.57	2.89	(2.89)
Variable rate borrowings	March 31, 2023	208.35	2.08	(2.08)
Variable rate borrowings	March 31, 2022	150.17	1.50	(1.50)

The Company's risk management is carried out by the Senior Management under policies approved by the Board of Directors. The Board of Directors provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

(All amounts are INR in Millions, unless otherwise stated)

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency).

Foreign currency sensitivity

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Amount in foreign currency	Amount	Amount in foreign currency	Amount	Amount in foreign currency	Amount
USD receivable	5.28	440.27	3.40	279.01	0.80	60.53
USD payable	(2.12)	(176.65)	(55.04)	(4,521.81)	(1.46)	(109.88)
GBP receivable*	-	-	-	-	0.01	0.70
GBP payable*	-	-	0.41	36.91	0.07	5.61
Euro payable	(0.00)	(0.14)	(0.30)	(26.57)	(0.36)	(30.52)
Euro Receivable	0.20	17.66	-	-	-	-

* GBP receivable as at April 1, 2021 and GBP payable as at March 31, 2022 is below the rounding off norm adopted by the Group.

	Impact on profit before tax		
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
USD sensitivity			
INR/USD - increase by 1%	2.64	(42.43)	(0.49)
INR/USD - decrease by 1%	(2.64)	42.43	0.49
GBP sensitivity			
INR/GBP - increase by 1%	-	0.37	0.06
INR/GBP - decrease by 1%	-	(0.37)	(0.06)
EURO sensitivity			
INR/EURO - increase by 1%	0.18	(0.27)	(0.31)
INR/EURO - decrease by 1%	(0.18)	0.27	-0.31

39.3 Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the group's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Group limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Group does a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Group does not foresee any credit risks on other financial assets.

To manage the credit risks arising from customers, the Group periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivables.

The movement in expected credit loss is as follows :

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Opening balance	2.08	1.46	0.53
Changes in loss allowance:	-	-	-
Expected credit loss allowance	1.47	0.62	0.93
Closing balance	**3.55**	**2.08**	**1.46**

The movement in provision for liquidated damages is as follows :

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Opening balance	8.62	1.52	-
Changes during the year	8.63	7.10	1.52
Closing balance	**17.25**	**8.62**	**1.52**

(All amounts are INR in Millions, unless otherwise stated)

39.4 Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of committed credit lines. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

(a) Maturities of financial liabilities

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

As at March 31, 2024

Particulars	Notes	Carrying value	0-1 year	1-3 years	3-5 years	Total
Current borrowings	19	163.38	163.37	-	-	163.37
Long-term borrowings	18	125.18	-	105.88	19.60	125.48
Lease liabilities	3(b)	10.40	10.40	-	-	10.40
Trade payables	20	135.22	135.23	-	-	135.23
Other financial liabilities	23	33.68	33.68	-	-	33.68
Total		**467.86**	**342.68**	**105.88**	**19.60**	**468.16**

As at March 31, 2023

Particulars	Notes	Carrying value	0-1 year	1-3 years	3-5 years	Total
Current borrowings	19	176.69	176.69	-	-	176.69
Long-term borrowings	18	45.90	-	45.28	2.58	47.86
Lease liabilities	3(b)	17.74	17.74	-	-	17.74
Trade payables	20	69.31	69.31	-	-	69.31
Other financial liabilities	23	34.40	34.40	-	-	34.40
Total		**344.04**	**298.14**	**45.28**	**2.58**	**346.00**

As at March 31, 2022

Particulars	Notes	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Current borrowings	**19**	113.46	113.47	-	-	113.47
Long-term borrowings	**18**	57.70	-	58.42	-	58.42
Lease liabilities	**3(b)**	28.42	28.42	-	-	28.42
Trade payables	**20**	41.23	41.22	-	-	41.22
Other financial liabilities	**23**	10.67	10.68	-	-	10.68
Total		**251.48**	**193.79**	**58.42**	**-**	**252.21**

40 Capital Management

The Group's objectives when maintaining capital are:

(a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

(b) to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital on the basis of the net debt to capital ratio. Net debt is calculated as the total borrowings and lease liabilities less cash and cash equivalents. Capital includes all components of equity.

The debt-to-capital ratios were as follows:

		As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Total equity	(i)	1,085.95	488.45	276.58
Total debt		298.96	240.33	199.58
Less: cash and cash equivalents		(71.78)	(18.75)	(34.49)
Net debt	(ii)	**227.18**	**221.58**	**165.09**
Debt-to-capital ratio	(ii)/ (i)	0.21	0.45	0.60

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024, March 31, 2023 and March 31, 2022.

(All amounts are INR in Millions, unless otherwise stated)

41 Income Taxes

41.1 Income tax expense charged to the statement of profit or loss	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
- Current tax	154.57	57.75	9.83
- Tax expense relating to prior year (net)	28.95	-	-
	183.52	**57.75**	**9.83**
- Deferred tax	0.14	7.77	(6.57)
Income tax expense reported in the statement of profit or loss	**183.66**	**65.52**	**3.26**

41.2 Reconciliation of tax charge	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Profit before tax	771.73	300.94	37.17
Income tax expense at tax rates applicable	25.17%	25.17%	25.17%
Expected income tax expense/ (benefit) at statutory tax rate	194.23	75.74	9.36
Tax effects of:			
Adjustments for current tax of prior periods	28.55	-	
Interest on MSME	0.04	0.01	0.03
Disallowances u/s 37	0.40	0.65	0.02
Income tax relating to remeasurements of post-employment defined benefit plans	0.29	6.16	0.01
Interest on income tax	-	0.95	0.38
Others adjustments	(39.85)	(17.99)	(6.54)
Income tax expense	**183.66**	**65.52**	**3.26**

41.3 Deferred tax relates to the following:

	As at March 31, 2024	**As at March 31, 2023**	**As at March 31, 2022**
Deferred tax assets			
Property, plant and equipment and intangible assets	1.5	0.57	4.73
Provisions	3.05	3.93	2.46
Trade receivables	0.57	0.48	0.37
Lease liabilities	2.62	4.47	6.24
Borrowings	-	-	0.05
Others	0.05	2.18	1.87
	7.79	**11.63**	**15.72**
Deferred tax liabilities			
Property, plant and equipment and intangible assets	-	(1.45)	(0.40)
Right-of-use assets	(2.16)	(4.04)	(6.06)
Borrowings	-	(0.06)	-
Others	-	(0.69)	(1.73)
	(2.16)	**(6.24)**	**(8.19)**
Deferred tax assets (net)	**5.63**	**5.39**	**7.53**

41.4 Deferred tax assets/liabilties (net)
Reconciliation of deferred tax assets (net):

	As at March 31, 2024	**As at March 31, 2023**	**As at March 31, 2022**
Opening balance	5.39	2.79	1.02
Tax expense recognised in statement of profit and loss	0.24	3.98	6.51
Total	**5.63**	**6.77**	**7.53**

Reconciliation of deferred tax liabilities (net):	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Opening balance	-	**4.73**	-
Tax expense recognised in statement of profit and loss	-	**(6.11)**	-
Total	-	**(1.38)**	-

Unused tax credits for which no deferred tax asset is recognised	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Minimum alternate tax credit	174.18	55.27	10.05

42 The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

43 Other regulatory information

43.1 Title deeds of immovable properties not held in name of the Group
The Group does not have any immovable properties whose title deeds are not held in the name of the Group

43.2 Details of benami property held
The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.

43.3 Borrowings secured against current assets
The Group has borrowings from banks or financial institutions on the basis of security of current assets.

43.4 Wilful defaulter
The Group has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

(All amounts are INR in Millions, unless otherwise stated)

43.5 Relationship with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

43.6 Registration of charges or satisfaction with Registrar of Companies
The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

43.7 Compliance with number of layers of companies
The Group has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017.

43.8 Compliance with approved scheme(s) of arrangements
The Group has not entered into any scheme(s) of arrangement which has an accounting impact on current or previous financial year.

43.9 Utilisation of borrowed funds and share premium:

No funds have been advanced or loaned or invested by the Group to or in any other person(s) or entity(ies), including foreign entities ("intermediaries") with the understanding, that the intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

43.10 Undisclosed income
The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961.

43.11 Details of crypto currency or virtual currency
The Group has not traded or invested in crypto currency or virtual currency during the current or previous financial year.

43.12 Utilisation of borrowings availed from banks and financial institutions
The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such borrowings were taken.

44 Assets hypothecated as security

The carrying amounts of assets hypothecated as security for current and non-current borrowings are:

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non-current assets			
Land (right-of-use assets)	54.25	54.82	54.25
Factory building	161.09	87.82	85.83
Plant and machinery	238.66	114.80	63.35
Furniture and fixtures	3.16	2.47	1.41
Computers	2.90	1.29	1.23
Office equipment	1.68	2.12	2.45
Vehicles	8.21	-	-
Total non-current assets hypothecated as security	**469.95**	**263.32**	**208.52**
Current assets			
Inventories	197.33	157.72	47.24
Trade receivables	468.42	321.30	75.15
Cash and cash equivalents	71.78	18.75	34.49
Bank balances other than cash and cash equivalents	4.61	21.86	40.29
Other financial assets	239.04	59.96	17.58
Current tax assets (net)	39.58	-	2.18
Other current assets	115.83	48.08	35.88
Total current assets hypothecated as security	**1,136.59**	**627.67**	**252.81**
	1,606.54	**890.99**	**461.33**

45 The Code on Social Security 2020
The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the certain provisions of the Code will come into effect and the rules thereunder has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(All amounts are INR in Millions, unless otherwise stated)

46 Commitment and contingent liability

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for:			
Property plant and equipment	**80.44**	**56.44**	**0.92**
	80.44	**56.44**	**0.92**

47 Segment Reporting

(a) The Group's main objective is to carry on the business of manufacturing toolings and components to be used in the aerospace sector. The board of directors (considered as Chief Operating Decision Maker) reviews these activities under the context of Ind AS 108 Operating Segments as one single operating segment to evaluate the overall performance of the Group.

(b) Refer to note 26.1 for breakup of the Group's revenue by primary geographical market.

(c) During the year ended March 31, 2024, revenue from operations from three customers (March 31, 2023: four customers, March 31, 2022: four customers) represented approximately 37.79%, 29.05% and 21.01% (March 31, 2023: 47.18%, 18.20%, 12.15% and 11.41%, March 31, 2022: 35.12%, 14.17%, 12.83% and 12.55%) of the Group's revenue from operations.

48 Subsequent events

i) The Company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on March 4, 2024 and Consequently the name of the Company has changed to Unimech Aerospace and Manufacturing Limited pursuant to a fresh certificate of incorporation issued by ROC on June 21, 2024.

ii) The Company has incorporated a new wholly owned subsidiary in the United States of America by the name of Unimech Global Manufacturing Solutions Inc for which the certificate of incorporation was issued on May 29, 2024.

iii) The Company has constituted an audit committee on July 3, 2024 as mandated under the Provisions of the Companies Act, 2013 and relevant rules thereunder.

iv) The Company raised money by way of preferential allotment of 36,67,090 equity shares of face value INR 5/- each at a price of INR 681.74 /-per share (including a premium of INR 676.74 per share) aggregating to INR 2,500 million in July 2024.

As per our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Unimech Aerospace and Manufacturing Limited
(Formerly known as Unimech Aerospace and Manufacturing Private Limited)

Pankaj S Bhauwala
Partner
Membership No: 233552

Anil Kumar Puttan
Chairman & Managing Director
DIN: 07683267

Ramakrishna Kamojhala
Director and CFO
DIN: 07004517

Krishnappayya Desai
Company Secretary
M No: A61281

Place: Bengaluru
Date: August 19, 2024

Place: Bengaluru
Date: August 19, 2024

Place: Bengaluru
Date: August 19, 2024

OTHER FINANCIAL INFORMATION

The accounting ratios derived from the Restated Consolidated Financial Information as required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

S.No.	Particulars	As at and for Fiscal		
		2024	2023	2022
1.	Earnings per share			
	- Basic (in ₹)	13.23	5.19	0.77
	- Diluted (in ₹)	13.23	5.19	0.77
2.	RoNW (%)	53.53	46.70	12.26
3.	Net Asset Value per Equity Share (in ₹)	24.71	11.11	6.29
4.	EBITDA (in ₹ million)	791.86	345.63	77.26

Notes: The ratios have been computed as under:

Earnings per share = Net profit after tax (loss after tax) as restated / Weighted average number of equity shares outstanding during the period/year.

1. *Diluted earnings per share: Net profit after tax (loss after tax) as restated / Weighted average number of potential equity shares outstanding during the period/year.*
2. *Return on Net Worth (%) = Net profit after tax, as restated / Net worth as restated as at period/year end.*
3. *Net Worth represents the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation amalgamation, capital reserve and ESOP reserve.*
4. *Net Asset Value per equity share (in ₹) = Net Worth at the end of the period/year / number of equity shares outstanding at the end of the period/year.*
5. *EBITDA is calculated as restated profit before exceptional items and tax plus Finance Costs, Depreciation and amortisation expense less Other Income.*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company and our Material Subsidiary as at and for the Fiscals 2024, 2023 and 2022 and the reports thereon (collectively, the "**Audited Financial Statements**") are available on our website at https://unimechaerospace.com/investorrelations/.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor BRLMs nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of related party transactions as per the requirements under Ind AS 24 – Related Party Disclosures, read with the SEBI ICDR Regulations for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, see "***Restated Consolidated Financial Information - Note 35***" on page 279.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at March 31, 2024, on the basis of our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with "***Risk Factors***", "***Restated Consolidated Financial Information***" and "***Management's Discussion and Analysis of Financial Position and Results of Operations***", on pages 28, 242 and 298, respectively.

(₹ in million, except ratios)

Particulars[(2)]	**As at March 31, 2024**	**As adjusted for the proposed Offer[(1)]**
Borrowings		
Current borrowings (I) (excluding current maturities of long term debt)	110.22	[●]
Non-current borrowings (including current maturity) (II)	178.34	[●]
Total Borrowings (III = I + II)	**288.56**	[●]
Equity		
Share capital (IV)	220.03	[●]
Non-controlling interests (V)	-	[●]
Other Equity (VI)	865.92	[●]
Total equity (VII = IV + V + VI)	**1085.95**	[●]
Total Borrowings / Total Equity (III/VII)	0.27	[●]
Total non-current borrowings / Total Equity (II/VII)	0.16	[●]

Notes:

1) *The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the book building process and hence have not been furnished. To be updated upon finalization of the Offer Price.*

2) *After March 31, 2024, our Company has issued 3,667,090 Equity Shares of face value of ₹ 5 each. For further details, see "**Capital Structure**" on page 87.*

FINANCIAL INDEBTEDNESS

Our Company and Material Subsidiary have availed loans in the ordinary course of their business for purposes such as, *inter alia,* meeting their capital expenditure requirements and working capital requirements and for general corporate purposes. Our Company and Material Subsidiary have obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer, such as, *inter alia*, effecting a change in our shareholding pattern, change in the management of our board and amendments in our constitutional documents in connection with or post the Offer. For details regarding the resolution passed by our Shareholders on June 22, 2024 authorizing the borrowing powers of our Board, see "***Our Management –Borrowing Powers***" on page 220.

As on July 31, 2024, the aggregated outstanding borrowings of our Company and our Material Subsidiary amounted to ₹ 718.70 million on a consolidated basis. Set forth below is a brief summary of the borrowings:

Category of borrowing	**Sanctioned amount (*₹ in million*)**	**Principal amount outstanding (*₹ in million*) as of July 31, 2024**
Unimech Aerospace and Manufacturing Limited		
Secured loans:		
A. Fund Based Limits:		
Working Capital Facilities	50.00#	20.00
Term Loans	-	-
Total Fund Based (1)	**50.00**	**20.00**
B. Non Fund Based Limits:		
Bank Guarantees (sub-limit of (1))##	20.00	8.05
Letter of Credit	-	-
Total Non-Fund Based Limits (2)	**20.00**	8.05
Total Secured Loans (3) = (1) + (2)	**50.00**	**28.05**
Unsecured loans:		
A. Fund Based Limits:		
Term loans	-	-
Total Fund-Based (4)	**-**	**-**
B. Non-Fund Based Limits:		
Bank Guarantees	-	-
Letter of Credit	-	-
Total Non-Fund Based Limits (5)	**-**	**-**
Total Unsecured (6) = (4) + (5)	**-**	**-**
Total (7) = (3) + (6)	**50.00**	**28.05**
Innomech Aerospace Toolings Private Limited (Material Subsidiary)		
Secured loans:		
A. Fund Based Limits:		
Working Capital Facilities	200.00^	200.00
Term Loans	682.05**	490.65*
Total Fund Based (8)	**882.05**	**690.65**
B. Non Fund Based Limits:		
Bank Guarantees	-	-
Letter of Credit	-	-
Total Non-Fund Based Limits (9)	**-**	**-**
Total Secured Loans (10) = (8) + (9)	**882.05**	**690.65**
Unsecured loans:		
A. Fund Based Limits:		
Term loans	-	-

Category of borrowing	Sanctioned amount (₹ *in million*)	Principal amount outstanding (₹ *in million*) as of July 31, 2024
Total Fund-Based (11)	**-**	**-**
B. Non Fund Based Limits:		
Bank Guarantees	-	-
Letter of Credit	-	-
Total Non-Fund Based Limits (12)	**-**	**-**
Total Unsecured (13) = (11) + (12)	**-**	**-**
Total (14) = (10) + (13)	**882.05**	**690.65**
Grand Total (15) = (7) + (14)	**932.05**	**718.70**

**Out of the total sanctioned amount of ₹ 682.05 million, a sum amounting to ₹ 118.15 Million is yet to be disbursed, which is not included in the outstanding amount above.*
#Out of total sanctioned working capital limit of ₹ 50.00 million, ₹ 20.00 million pertains to bank guarantee sub-limit. This excludes ₹ 1.00 million, which pertains to corporate credit card limit against fixed deposits.
^Out of total working capital facilities sanctioned of ₹ 200.00 million to the Material Subsidiary. This excludes ₹ 1.00 million, which pertains to corporate credit card limit sanctioned by Axis Bank.
***Out of total term loans sanctioned of ₹ 682.05 million, ₹ 60.00 million and ₹ 30.00 million loans sanctioned by South India Bank were taken over by Axis bank at ₹ 52.10 million and ₹ 11.20 million respectively and the taken over amount are disclosed as sanctioned amount.*
##The bank guarantee amount above excludes bank guarantees availed against security of fixed deposits (₹ 2.49 million)
^As certified by Vishnu Daya & Co LLP, Independent Chartered Accountants, with firm registration number 008456S, by way of their certificate dated August 19, 2024.

Principal terms of the facilities sanctioned to our Company and our Material Subsidiary:

The details provided below are indicative and there may be similar/additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company with its lenders, that may require the consent of the relevant lenders, the breach of which may account to an event of default under various facility documents entered into by our Company, and the same may lead to consequences other than those stated below.

1. ***Interest:*** Interest rate charged by the lenders for the term loans typically ranges from 7.90% per annum to 13.00% per annum and for working capital loans interest rate typically ranges from 6.30% per annum to 8.20% per annum. The interest rates are primarily linked to the various benchmarks such as the London Interbank Offered Rate (LIBOR), Secured Overnight Financing Rate (SOFR) or repo rate.

   Marginal Cost of Funds based Lending Rate ("**MCLR**") prevailing on the date of first disbursement shall be applicable and will remain unchanged until the date of next reset, irrespective of interim changes in MCLR. Spread is also subject to variation on the date of reset and also at any point in time, on deterioration in the credit risk profile of the customer. Rate of interest at each reset will be calculated based on the MCLR prevailing on that date plus existing spread or revised spread, as the case may be.

2. ***Tenor:*** The tenor of the Company's working capital facilities is generally mutually agreed between the parties, whereas the tenor of term loans ranges from 12 months to 60 months with option to roll over for 6 months.

3. ***Security:*** All the working capital facilities and term loans, availed by the Company, are secured. The following is the summary of the security created by the Company in favour of the lenders:

   a) Hypothecation on entire current assets and entire present and future movable fixed assets of the Company.

   b) Hypothecation on assets created out of term loans.

   c) For export credit- Export/Domestic bills with title to goods duly endorsed in favour of the Banks.

   d) Personal guarantees by the directors/promoters of the Company:

      i. Mani P

      ii. Anil Kumar P

      iii. Preetham S V

      iv. Rajanikanth Balaraman

v. Ramakrishna Kamojhala

e) Working capital loan of the holding company is guaranteed by material subsidiary company.

f) All the borrowings from banks of material subsidiary Company are guaranteed by holding company.

4. ***Repayment:*** The working capital facilities are generally repayable on demand, at the end of the tenor of an individual tranche, or on their respective due dates within the maximum tenure in accordance with the facility documents executed by the Company. Each sub-limit has a specific schedule prescribed with provision of periodic repayments for some of the sub-limits. The term loan are repayable in monthly instalments in accordance with the repayment schedule stipulated in the relevant loan documentation executed by the Company.

5. ***Prepayment:*** Facilities availed by the Company and Material Subsidiary typically have pre-payment provisions which allow for pre-payment of the outstanding loan amount, by serving a prior written notice to the relevant lender or on receiving prior approval from the relevant lender, and in certain case, subject to such pre-payment penalties as may be decided mutually at the time of such prepayment, or as set out in the facility agreements. The pre-payment penalty payable ranges from 2.00% or 3.00% for closed through own funds or closed through takeover.

6. ***Key covenants:*** Certain of the Company's borrowings arrangements provide for covenants restricting certain corporate actions, and they are required to take the prior approval of the lender before carrying out such activities. For instance, certain corporate actions require the prior written consent from the relevant lender include inter-alia:

i. making any change in the capital structure/shareholding pattern or making any change in ownership/management control of the Company;

ii. amending the constitutional documents of the Company;

iii. engaging in any business or activities other than that the Company is engaged in or undertaking any expansion (over and above as declared in the projections during current sanctions) or invest in any other entity;

iv. to winding up, liquidating or dissolving its affairs or take steps for voluntary winding-up or liquidation or dissolution;

v. entering into any scheme of amalgamation, reorganization, reconstruction, takeover, scheme of compromise or arrangement;

vi. disposing its assets other than those as permitted by the banks in writing;

vii. paying any commission, brokerage or fees to its promoters/directors/guarantors/security providers;

viii. availing any loan; and/or stand as surety or guarantor for any third party liability or obligation; and/or provide any loan or advance to any third party.

The details provided above are indicative and there may be additional terms, conditions and requirements under the specific borrowing arrangements entered into by our Company.

7. *Restrictive covenants*:

The borrower shall not:

a. repay any principal or interest on any loans availed from the shareholders/directors/partners/proprietors/co-parceners/, relatives, friends or any other affiliates (as the case may be), as at the date of execution of this Agreement, without prior written consent of the Bank

b. declare dividend without prior approval of the Bank. Such approvals shall be considered for payment only out of profits of the current year and subject to no default in payment/repayment obligation to the Bank.

8. *Events for default:*

In terms of the facility documents and sanction letters, the following, among others, constitute as events of default:

i. the Company or any other person is in breach of any covenants, conditions or any other terms of the credit facilities;

ii. default has occurred in the payment of any amount of the credit facilities due and payable on the due dates, whether by acceleration or otherwise;

iii. if the Company has voluntarily taken any action for its insolvency, winding up or dissolution;

iv. the security for the facilities is in jeopardy or ceases to have effect;

v. if any of the facility documents executed or furnished by or behalf of the Company becomes illegal, invalid, unenforceable or fails or ceases to be on effect or fails or ceases to provide the benefit of the liens, rights, powers, privileges or security interests created by transaction documents;

vi. if any of the facility documents is assigned or otherwise transferred, amended or terminated, repudiated or revoked, without the approval of the bank;

vii. if loan is utilised for any purpose other than sanctioned purpose;

viii. occurrence of cross default;

ix. occurrence of material adverse change affecting the business or financial position of the Company; and

x. if any information, representation or warranty, statement made, or deemed to be made, in or in connection with any facility document is incorrect or misleading in any material aspect.

9. ***Consequences of events of default:***

In terms of the borrowing arrangements of the Company and its Material Subsidiary, the following, inter alia, are the consequences of occurrence of events of default, including:

i. termination/ cancellation of the sanctioned facilities;

ii. application of any amount re-paid to the lender towards settlement and discharge of liabilities;

iii. levy of an additional interest rate;

iv. termination of the lender's obligations;

v. amendment or modification of its constitutional documents;

vi. exercise all other remedies as available under applicable law.

For risks in relation to the financial and other covenants required to be complied with in relation to our borrowings, see "***Risk Factors – 43. Our business requires significant amounts of working capital. We may not be able to obtain future financing on favorable terms or at all or furnish bank guarantees in the future. If we experience insufficient cash flows from our operations or are unable to borrow funds to meet our working capital requirements or breach any of our guarantee obligations, it may materially and adversely affect our business and results of operations***" on page 56.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with the Restated Consolidated Financial Information. The Restated Consolidated Financial Information. has been prepared by our management as required under the SEBI ICDR Regulations read with the ICAI Guidance Note. For more information, see "**Risk Factors – Internal Risk Factors – 59. Our Company has prepared financial statements under Indian Accounting Standards. Significant differences exist between Indian Accounting Standards and other accounting principles.**" on page 63.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see "**Forward-Looking Statements**" beginning on page 26.*

Unless otherwise indicated or the context otherwise requires, the financial information for the financial years ended March 31, 2022, 2023 and 2024, included herein is derived from the Restated Consolidated Financial Information. included in this Draft Red Herring Prospectus.

*Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Draft Red Herring Prospectus. Such non-GAAP financial measures should be read together with the nearest GAAP measure. See "**Risk Factors –60. This Draft Red Herring Prospectus contains certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the manufacturing industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other manufacturing companies.**" on page 63.*

Certain names of our top 10 customers and top 10 suppliers are not mentioned in this Draft Red Herring Prospectus due to confidentiality reasons and non-receipt of consents.

*The industry-related information contained in this section is derived from the industry report titled 'Report Overview of Global Tooling & PEC Market' dated August 17, 2024 prepared by Frost & Sullivan (India) Private Limited (the "**F&S Report**"). We have exclusively commissioned and paid for the F&S Report for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged Frost & Sullivan (India) Private Limited in connection with the preparation of the F&S Report pursuant to an engagement letter dated March 20, 2024. A copy of the F&S Report shall be available on the website of our Company at https://unimechaerospace.com/investorrelations/ from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. Unless otherwise indicated, the industry-related information contained in this section is derived from the F&S Report (extracts of which have been appropriately incorporated as part of "**Industry Overview**" beginning on page 141).*

Overview

We are a global high precision engineering solutions company specializing in manufacturing of complex products with "build to print" and "build to specifications" offering, which involves machining, fabrication, assembly, testing and creating new products basis the specific requirements of our clients for the aerospace, defence, energy and semi-conductor industries. We have established ourselves as a leading manufacturer of complex tooling, mechanical assemblies, electro-mechanical turnkey systems and precision components, widely used in the aeroengine and airframe tooling for production, MRO and line maintenance activities (*Source: F&S Report*).

Our product portfolio includes, *inter alia*, engine lifting and balancing beams, assembly, disassembly and calibration tooling, ground support equipment, airframe assembly platforms, engine transportation stands, mechanical & electro-mechanical turnkey systems, and precision components. For further details, please see "***– Our Products***" on page 191.

We are a key link in the global supply chain for global aerospace, defence, semi-conductor and energy OEMs and their licensees for the supply of critical parts like aero tooling, ground support equipment, electro-mechanical sub-assemblies and other precision engineered components (*Source: F&S Report*). Our key clients include top global airframe and aero-engine OEMs and their approved licensees.

The salient features of our products are complexity and a "high-mix, low volume nature", characterized by high mix products which are not mass manufactured. We offer a wide range of products ("**SKUs**") but produce relatively small quantities of each based on specific customer requirements. Our ability to efficiently manufacture even single units of a particular SKU provides us with the flexibility to optimize pricing and maintain high profit margins. Factors such as on-time delivery and product quality significantly influence our pricing strategy. We adhere to stringent quality standards and measures as per AS9100D & BS EN ISO 9001:2015, being the industry norms for aerospace. Between Fiscals 2022 and 2024, we have manufactured 2,356 SKUs in tooling and precision complex sub-assemblies' category and 624 SKUs in the precision machined parts category, supplying to more than 26 customers across 7 countries.

Our diverse capabilities allow us to service the customers globally, which has established us as an export-oriented company with customers across USA, Germany and United Kingdom. Our product and service exports aggregated to ₹ 331.01 million, ₹ 896.45 million, and ₹ 2,038.49 million, contributing 91.06%, 95.20%, and 97.64% of our total revenue from operations for Fiscals 2022, 2023 and 2024. For further details, please see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 298.

We possess unique "build to print" capabilities, wherein we manufacture products based on client designs, and "build to specifications" capabilities, wherein we assist clients in designing the products to be manufactured basis specifications. Our orders typically begin with the receipt of purchase orders, along with designs or specifications from the customers. Upon development of the design, they are converted into 3-D models with the help of software used by our experienced engineers. For further details, please see "***Our Strengths – Advanced manufacturing capabilities capable of delivering high precision engineering solutions***" on page 182.

We focus on timely deliveries of our products. Our systems and processes ensure efficient order fulfilment and on-time delivery. As on June 30, 2024, our order in-hand was ₹ 992.38 million, with a delivery timeline ranging between 4 to 16 weeks.

As of March 31, 2024, we had two manufacturing facilities, Unit I and Unit II, in Bangalore which is spread across an aggregate area of over 1,20,000 sq. ft. Our facility in Unit I in Peenya, Bangalore, is spread across an area of over 30,000 sq. ft. and our Unit II facility in Devanahalli is situated in a Special Economic Zone ("**SEZ**") near Bangalore International Airport which is spread across an area of over 90,000 sq. ft. Our both manufacturing facilities are accredited with AS 9001D, BS EN ISO 9001 and ISO 45001:2018.

Principal Factors Affecting Our Financial Condition and Results of Operations

Our business, results of operations and financial condition are affected by a number of factors, including:

1. Economic conditions in the markets in which we operate

Our financial performance is closely tied to economic conditions across our key markets, including India, United States, Germany and United Kingdom. We generate our revenue from the sale of high precision engineered products including aero tooling, ground support equipment, electro-mechanical sub-assemblies and other precision engineered components, primarily to several global original equipment manufacturers' ("**OEMs**"), focusing on sectors such as aerospace, defence, semi-conductor, and energy. Our product exports aggregated to ₹331.01 million, ₹896.45 million, and ₹2038.49 million, contributing 91.06%, 95.20%, and 97.64% of our total revenue from operations for Fiscals 2022, 2023 and 2024.

Our export business is dependent on the performance of our customers who operate in industries such as aerospace, defence, semi-conductor and energy. The following table sets out our revenue from operations by geographical spread for the financial years / periods indicated:

(in ₹ million, except percentages)

Geography	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from operations (₹ million)	% of total revenue from operations	Revenue from operations (₹million)	% of total revenue from operations	Revenue from operations (₹ million)	% of total revenue from operations
India	49.26	2.36	45.21	4.80	32.48	8.93
United States	1,924.57	92.19	724.18	76.91	277.64	76.38
Germany	113.41	5.43	172.18	18.28	51.50	14.17
United Kingdom	Nil	Nil	Nil	Nil	0.91	0.25
Others	0.50	0.02	0.09	0.01	0.96	0.27
Total	**2087.75**	**100.00**	**941.66**	**100.00**	**363.49**	**100.00**

We are exposed to fluctuations in the performance of the industries to which we supply our products across the mentioned regions. The markets where we operate in India may experience different dynamics and be subject to distinct market and regulatory developments compared to other global markets. Further, the industries served by our customers have historically exhibited significant periodic fluctuations in overall demand for end goods, leading to corresponding variations in demand for our products. The timing and duration of these industry cycles are inherently unpredictable. The production and sales of the end goods for which we provide products are influenced by numerous external factors beyond our control. These include changes in government policies, shifts in consumer preferences, fluctuations in fuel prices, trends toward aircraft electrification, demographic changes, employment and income levels, interest rates, disruptions in the supply chain, aging of aircraft, labour relations, regulatory requirements, availability and cost of credit, and broader economic and industry conditions.

Economic downturns or reductions in defence budgets can result in decreased demand for our products, which encompass specialized tools and components for aircraft and defence systems. For instance, fluctuations in global GDP, shifts in government defence expenditures, and changes in commercial airline activities directly impact our sales. We supply critical components to OEMs, as well as defence contractors, whose demand is influenced by these economic variables. Furthermore, economic instability can impede capital expenditure in the aerospace sector, potentially delaying or reducing investments in new technologies and infrastructure, thereby affecting our growth prospects.

2. Implementation of technologically advanced processes and innovation

The aerospace and defence sectors are characterized by rapid technological advancements. Our ability to innovate and adapt to new technologies is crucial for maintaining competitiveness. We believe that our growth over the years is attributable to our core capabilities, including our "build to print" and "build to specification" capabilities, which are supported by our technological prowess.

Our integrated design, engineering, and production capabilities, combined with expertise in collaboratively developing customized solutions for industries such as aerospace, defence, semi-conductor, and energy, have enabled us to deliver quality solutions to our domestic and global customers.

In case there are any other new technological developments discovered that significantly decreases the cost of production, in order to compete effectively, we may be required to replace our existing machines with the new ones and thereby incur additional capital expenditure, which would have a material adverse effect on our financial condition and results of operations. Although we seek to identify trends and introduce new methods of engineering and equipment, we recognise that customer preferences cannot be predicted with certainty and can change rapidly, and that there is no certainty that such methods will be commercially viable or effective or accepted by our customers. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products we sell which could significantly affect our results of operations and financial performance. Further, as our business is currently concentrated to a select number of significant customers, we may experience reduction in cash flows and liquidity if we lose one or more of our major customers or if the amount of business from them is significantly reduced for any reason.

3. Concentration of customers

Our financial performance has largely been driven by, and a key factor to our future success will be, our ability to continue to deliver value for our customers, increase our customer base, and deepen our relationships with our existing customers. Our experience in developing complex critical safety systems and solutions has led to established relationships with several customers.

We derived more than 95% of our revenue from operations from the sale of products to our top 10 customers in Fiscal 2022, Fiscal 2023 and Fiscal 2024. The table below sets forth the revenue derived from our top 10 customers (determined based on revenue derived from such customers in Fiscal 2024) during the respective financial periods:

Particulars	**Fiscal 2022**		**Fiscal 2023**		**Fiscal 2024**	
	Amount (₹ million)	**% of total revenue from operations**	**Amount (₹ million)**	**% of total revenue from operations**	**Amount (₹ million)**	**% of total revenue from operations**
Top 3 customers	262.24	72.15%	840.26	89.23%	1964.32	94.09%
Top 5 customers	323.39	88.97%	884.00	93.88%	2021.01	96.80%
Top 10 customers	351.39	96.67%	923.85	98.11%	2076.25	99.45%

Our top 10 customers include HYDRO Systems GmbH & Co. Kg, Nuclear Power Corporation of India Limited and Rhinestahl Corporation. These customers may not be our top 10 customers in each of the above Fiscals and the disclosure of names has only been made for such customers who have consented to being named. Remaining names from our top 10 customers are not mentioned in this Draft Red Herring Prospectus due to confidentiality reasons and non-receipt of consents.

Going forward, we expect the significance of our top ten customers to remain high. A change in our relationship with any of our significant customers will impact our business leading to a reduction in our sales. Furthermore, the loss of any of our top five customers, including as a result of any dispute with or disqualification by them, will have an adverse effect on our business and results of operations. For further information, see "***Risk Factors - Internal Risk Factors – 2. We are dependent on our top 10 customers who contribute more than 95% of our total revenue from operations in each of the last three Fiscals and the loss of any of these customers or a significant reduction in purchases by any of them could adversely affect our business, results of operations and financial condition.***" on page 29.

The demand of our top customers' products has a strong influence on our revenue from operations as our sales are directly impacted by the production and inventory levels of our customers' products. Increased sales of our customers' products tend to increase our revenue from operations, while a slow-down in the demand for our customers' products tends to lead to a lower revenue from operations. We expect the successful launches of new models by our top customers to positively impact our results of operations, increasing our revenue from operations from sale of our products. Accordingly, our revenue from operations has generally increased with the growth of our customers' business over time.

Our sales of products to our customers also depend largely on the number and type of products that we supply to them, and our ability to increase our overall share of their purchases. The effect of variations in our customers' purchasing patterns is dependent on the accuracy of order forecasts provided by them. It may be difficult for us to predict with certainty whether our customers will decide to increase or decrease the inventory levels or levels of production of a particular model to which we supply our products, the strategic direction they will pursue, when they might launch new models, or open new facilities, or whether future inventory levels will be consistent with historical levels. For instance, some are pursuing a strategy of localization of production for each market, while others are consolidating their global platforms in one or more low-cost manufacturing jurisdiction for eventual distribution to other countries. In addition, certain customers are seeking to consolidate their suppliers, particularly with suppliers who are able to manufacture complex and high-quality components, scale up production and supply products across a number of geographies. Any reduction in orders, delays in contract renewals, or changes in procurement strategies by these customers could materially affect our financial performance. Therefore, diversifying our customer base is essential to mitigate this risk. We are continuously exploring new markets and customer segments to reduce our dependence on a few major clients.

4. Ability to meet stringent quality standards and specific requirements of the customers

Our Company has existing relationships with global OEMs and licenses. As key customers typically have specific requirements, we believe that our continued relationships with these customers plays a significant role in determining our continued success and results of operations. Our ability to develop and deepen our relationships with our customers has accelerated our growth. We also focus on assisting customers meet their requirements across the spectrum of their engagement with us, including in terms of cost, productivity, product reliability and low time to market. This, together with our high delivery standards and performance excellence, has enabled us to acquire, service and deepen and lengthen our relationship with diverse range of high-level clients ranging from industry leaders to government undertakings.

Our domain expertise in various aspects such as precision engineering and ability to build to specifications, as well as our adoption of technologically advanced and cost-competitive manufacturing processes have been instrumental in obtaining repeat orders from our key customer group. Our ability to meet the stringent quality standards and performance requirements demanded by our customers is crucial, given the critical applications of our products in various industries. If we fail to deliver products or services that conform to customer specifications, we may be held accountable for repair or replacement costs of defective items.

Ensuring consistent compliance with these technical specifications and quality standards is essential to maintaining our supply capabilities. Failures to achieve or maintain such compliance could disrupt our ability to fulfill customer orders promptly, potentially harming our reputation and business. Financially, this could impact our results of operations, financial condition, and cash flows, especially where insurance coverage may not suffice to cover all liabilities. Our contracts also obligate us to indemnify customers against liabilities arising from defects or damages in our products or services. Failure to adhere to contract terms, delivery schedules, specifications, or quality standards could lead to order cancellations, recalls, invocation of bank guarantees, warranty claims, indemnity demands, and financial penalties. Such instances can result in cost overruns, impact payment milestones, and detrimentally affect our business reputation and financial performance.

Our operations are subject to various risks, including manufacturing defects, equipment failures, and safety incidents. For instance, the precision required in producing components for MRO aircraft structure gantries, ground support equipment etc. necessitates stringent quality control measures. Implementing robust quality assurance processes and adhering to strict safety protocols are essential to minimize operational risks. Additionally, maintaining efficient production processes and managing operational costs are critical for profitability. We invest in machinery and continuous training for our workforce to ensure high standards of operational excellence and safety.

5. Supply chain and availability of raw materials

Our profitability depends upon our ability to efficiently procure various components, finished and semi-finished parts, sub-systems, and raw materials such as steel, aluminium alloys, titanium alloys, composite materials, copper, castings, forgings, tools, gauges, standard parts and tools such as hoist ring, hydraulic cylinders, lifting slings & shackles, ball lock pins, key inserts, knobs & handles, bushes, bearings, hydraulic fittings, casters, screws & nuts and gear box, other base metals, and electronic components at competitive prices.

The prices of these materials are subject to cyclical fluctuations, supply and demand dynamics, and order quantities. Unexpected price increases or volatility in material costs may lead to actual costs differing from our estimates. We procure our raw materials, including steel, aluminium alloys, titanium alloys, composite materials, copper, castings, forgings, tools, gauges, standard parts, electronic components from third parties based on purchase orders and generally do not have firm commitments from our suppliers. The absence of long-term contracts at fixed prices and the need to maintain a continued supply of raw materials may make it difficult to resist price increases imposed by our suppliers. Consequently, our profitability could be adversely affected if we are unable to recover these increased costs from our customers. For more detailed information, please refer to the Risk factors section on "***Risk Factors – Internal Risk Factors – 22. 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 of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations and financial condition. We depend on these third-party suppliers of raw materials and do not have firm commitments for supply or exclusive arrangements with any of our suppliers and are required to pay advances from time to time. The absence of long-term***

contracts or exclusive arrangements and non-recovery of advances, exposes us to potential supply chain disruptions which could significantly impact our production capacity, leading to delays in order fulfilment and potential loss of revenue." on page 45.

6. Reliance on sales outside of India and foreign exchange rate risk

Although our Company's reporting currency is in Indian Rupees, we transact a significant portion of our business in several other currencies. Further, a large part of our revenues is derived from sales to customers based outside of India. In the Fiscals 2024, 2023 and 2022, our revenues from operations to customers based outside of India were ₹2,038.49 million, ₹896.45 million and ₹331.01 million, respectively, which represented 97.64% and 95.20% and 91.06%, respectively of our total income.

The exchange rate between the Indian Rupee and the currencies in which we receive payments for such exports, i.e., primarily the USD and Euro, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For further details, please refer to "***Certain Conventions, presentation of financial, industry and market data and currency of presentation***" on page 23 of this Draft Red Herring Prospectus.

Moreover, we expect that our cost of borrowing as well as our cost of imported raw materials, overseas professional costs, freight and other expenses incurred by us may rise during a sustained depreciation of the Indian Rupee against USD or Euro. Certain portions of our income and expenses are generated or incurred in other currencies and certain portions of our assets (trade receivables and cash and cash equivalents) and liabilities (trade payables and borrowings) are in other currencies, such as USD and Euro. Therefore, our exchange rate risk primarily arises from currency mismatches between our income and our expenditure which we seek to mitigate by matching income currency to expenditure currency to the extent possible. We do not have a formal hedging policy and accordingly, may be subject to foreign currency exposure and fluctuations in the exchange rates between the Indian Rupee and other currencies.

7. Competition

While our listed peers listed in India, like us, operate in the same industry and may have similar offerings or end use applications, our business may be different in terms of differing business models, different product verticals serviced or focus areas or different geographical presence or serving certain segments or sub-segments of our customer base. We believe that we have no peers that operate in the full spectrum of our product range, manufacturing capability, customer base, geographical market and price points. Our Company is a leading manufacturer of complex tooling, mechanical assemblies, electro-mechanical turnkey systems and precision components, widely used in the aeroengine and airframe tooling for production, MRO and line maintenance activities.

We have considered Azad Engineering Limited, Dynamatic Technologies Limited, MTAR Technologies Limited, Data Patterns (India) Limited and Paras Defence and Space Technologies Limited as listed peers, which are into the manufacturing of certain components used in the aerospace and defence industry.

Key Performance Indicators and Certain Non-GAAP Measures

Particulars	Financial year ended March 31,2024	Financial year ended March 31,2023	Financial year ended March 31,2022
Key Financial Metrics:			
Revenue from operations	2,087.75	941.66	363.49
Revenue from operations growth (%)(1)	121.71%	159.06%	-*
Gross profit(2)	1,375.93	677.69	263.29
Gross Margin(3) (%)	65.90%	71.97%	72.43%
EBITDA(4)	791.86	345.63	77.26
EBITDA Margin(5) (%)	37.93%	36.70%	21.25%
Profit after tax for the period / year	581.34	228.13	33.92
Profit Margin(6) (%)	27.85%	24.23%	9.33%
Fixed Asset Turnover Ratio(7) (Times)	5.16	3.51	-**
Return on Capital Employed(8) (ROCE) (%)	54.36%	42.87%	10.34%
Return on Equity (9) (%)	53.53%	46.71%	12.26%
Number of Plants#	2	2	2
Installed Capacity# (No. of Hours)	2,22,990	1,25,100	99,810
Number of Customers	16	15	18
Number of Countries	5	5	5
Operating Metrics:			
Customer Concentration (top 5)	96.80%	93.88%	88.97%
Customer Concentration (top 10)	99.45%	98.11%	96.67%
Trade Receivable Days (10)	82	125	75
Trade Payable Days (11)	66	68	98^
Inventory Days (12)	101	218	163

Particulars	Financial year ended March 31,2024	Financial year ended March 31,2023	Financial year ended March 31,2022
Cash Conversion Cycle [(13)] (Days)	117	275	140

* *Not included as the comparative period figures under IND AS for FY 2021 as on March 31, 2021are not available*

** *Not included as the comparative period figures under IND AS for FY 2021 as on March 31, 2021 are not available which will be used for calculating the Average Fixed Assets*

Number of plants and installed capacity (no. of hours) is derived based on the ICE certificate dated August 19, 2024

Notes: Formula for ratios are as below

1. *Revenue from operations growth (year on year) means the annual growth in Revenue from operations.*
2. *Gross Profit is calculated as Revenue from operations less Cost of Goods Sold. Cost of goods sold is the sum of Cost of materials consumed, Purchases of stock-in-trade and increase/ decrease in inventories.*
3. *Gross Margin is calculated as Gross Profit divided by Revenue from Operations.*
4. *EBITDA is calculated as restated profit before tax plus finance costs, depreciation and amortisation expense less other income.*
5. *EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.*
6. *Profit Margin is calculated as restated profit after tax for the year divided by Revenue from Operations.*
7. *Fixed Asset Turnover Ratio is calculated as Revenue from operations divided by Average Fixed Assets. Average Fixed Assets is calculated as the sum of Property, plant and equipment, Intangible assets and Right-of-use assets*
8. *Return on Capital Employed is calculated as Earnings before Interest and Tax divided by the sum of Total Equity and Total Debt*
9. *Return on Equity is calculated as Profit After Tax divided by Total Equity*
10. *Trade Receivable days is calculated as Trade receivable outstanding at the end of the year divided by Revenue from operations for the year multiplied by 365.*
11. *Trade Payable days is calculated as Trade payables outstanding at the end of the year divided by Total Purchases made for the year multiplied by 365.*
12. *Inventory days is calculated as Inventory outstanding at the end of the year divided by Total Cost of Goods Sold multiplied by 365.*
13. *Cash conversion cycle is calculated Days of inventory outstanding plus days of sales outstanding less days payables outstanding.*

Significant Accounting Policies

The significant accounting policies adopted in the preparation of our Financial Statements are set forth below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of measurement

The Restated Consolidated Financial Information have been prepared on a historical cost basis, except for net defined benefit employee obligations which is measured at the present value of defined benefit obligation.

Current versus non-current classification

Based on the time involved between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

Presentation currency and rounding off

All amounts disclosed in Restated Consolidated Financial Information and notes have been rounded off to the nearest millions and decimals thereof, as per requirement of Schedule III of the Act, unless otherwise stated. Amounts mentioned as "0.00" in the denote amounts rounded off being less than one lakh rupees.

Basis of Consolidation

"The Restated Consolidated Financial Information comprise the financial statements of the Company and its subsidiaries as at March 31, 2024.

Where the Group has control over an investee, it is classified as a subsidiary. The Group controls an investee if all three of the following elements are present:

(i) power over the investee,

(ii) exposure to variable returns from the investee, and

(iii) the ability of the investor to use its power to affect those variable returns.

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Restated Consolidated Financial Information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Restated Consolidated Financial Information for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Restated Consolidated Financial Information to ensure conformity with the Group's accounting policies.

The Restated Consolidated Financial Information of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so."

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Restated Consolidated Financial Information at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full) intragroup losses may indicate an impairment that requires recognition in the Restated Consolidated Financial Information.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Summary of material accounting policies

Property, plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Particulars	Useful Life
Factory buildings	30 years
Plant and equipment	4, 7.5 & 15 years
Furniture and fixtures	4 years
Computers	3 years
Office equipment	4 to 5 years
Vehicles	8 years
Leasehold improvements	Over useful life as per Schedule II or the remaining period of Lease term, whichever is lower

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values are not more than 5% of the original cost of the asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets (Software) and development costs are amortised over the useful economic life of 3 years on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Leases

The Group assesses at contract inception whether a contract is or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

ii) Lease Liabilities

"At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset."

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Inventories

"Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials (Including packing materials): Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average method.

Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Stores and spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition and charged to statement of profit and loss on purchase.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis."

Impairment of non-financial assets

"The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators."

Foreign currencies

The Group's Restated Consolidated Financial Information are presented in INR, which is also the Group functional currency.

Transactions in foreign currencies are initially recorded by the Group at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment and sale of services is recognised at the point in time by measuring the progress towards complete satisfaction of performance obligations during the reporting period.

Revenue is measured at transaction price (net of variable consideration, if any). The transaction price is the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of the government.

Revenue also includes adjustments made towards liquidated damages and price variations wherever applicable.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Taxes

Tax expense comprises current tax expense and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax

"Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered."

MAT:

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Group operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group recognises expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

Longevity bonus liability is accrued for certain class of key managerial persons, as may be decided by the Board from time to time to recognise their immense contribution in driving the organisation, and payable upon their resignation or exit from the Company or substantial changes in the composition of the parent company's Board. Amount to be payable is calculated based on latest remuneration of the year multiplied by number of years. Longevity bonus is recognised as liability at the present value of the defined benefit obligation using actuarial valuation at the Balance sheet date.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as financial assets at amortised cost (debt instruments). A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as borrowings, payables or other financial liabilities, as appropriate. All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified as financial liabilities at amortised cost (loans and borrowings).

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Interest Income

Interest income is recognised using effective interest rate method. The effective interest rate is rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition - estimating variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Leases - estimating the incremental borrowing rate (IBR)

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the company's credit rating).

Provision for expected credit losses (ECLs) of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for its customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Defined benefit plan (post-employment gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Useful lives of property, plant and equipment and intangible assets

Management reviews its estimate of the useful lives of property, plant and equipment and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment, right of use assets and intangible assets.

Provision for warranties

The Group's product warranty obligations and estimations thereof are determined using historical information of claims received up to the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims.

Deferred tax assets

Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

Principal Components of Statement of Profit and Loss

Income

Our income comprises revenue from operations and other income. We generate majority of our revenue from the sale of products.

Revenue from operations

Our revenue from operations primarily includes (i) sale of goods, (ii) sale of services, and (iii) other operating income, which includes duty drawbacks, merchant exporter incentive, rental income and scrap sales.

Other income

Our other income primarily includes (i) interest income, (ii) unwinding of discount on security deposits at amortised cost, (iii) net gains on foreign exchange transactions, (iv) subsidy interest, (v) profit on sale of assets, (vi) miscellaneous income, and (vii) profit on sale of investments.

Expenses

Our expenses include the below mentioned expenses:

Cost of materials consumed

Our cost of materials consumed primarily consists of the cost of raw materials and packing materials that we use in the manufacture of our products. Its calculation includes opening stock of raw materials at the beginning of the year, plus purchases, less closing stock of raw material at the end of the year.

Changes in inventories of finished goods, stock-in trade and work-in-progress

Changes in inventories of finished goods, stock in trade and work in progress represents the difference between our opening and closing stock of inventory during the financial year.

Sub-contractors charges

Our sub-contractors charges represents the job working charges paid to third parties to perform certain manufacturing processes such as welding, tooling, manufacturing of precision components etc.

Employee benefits expense

Our employee benefits expense primarily include (i) salaries, wages and bonus to the employees and consultancy charges paid to the directors, (ii) contribution to provident and other funds, (iii) gratuity and compensated absences expenses and (iv) staff welfare expenses.

Finance costs

Our finance costs primarily include (i) interest on borrowing at amortised cost, (ii) interest on income tax, (iii) interest on lease liabilities, (iv) guarantee commission expenses, (v) loan processing fee, (vi) bank guarantee issue charges, and (vii) interest on delayed payments to micro enterprises and small enterprises.

Depreciation and Amortisation expense

Depreciation and amortization expenses are primarily of depreciation on our property, plant and equipment and amortization of lease hold land, right-of-use assets and intangible assets.

Other Expenses

Our other expenses primarily include (i) rent, (ii) manpower support cost, (iii) utilities, (iv) repairs and maintenance, (v) factory expenses, (vi) freight outward, (vii) security charges, (viii) office expenses, (ix) printing and stationary, (x) information and technology expenses, (xi) insurance, (xii) legal and professional charges, (xiii) recruitment cost, (xiv) audit fee, (xv) sales promotion, (xvi) expected credit loss allowance, (xvii) travelling and conveyance, (xviii) communication expenses, (xix) rates and taxes, (xx) bank charges, (xxi) rework and warranty costs, (xxii) loss on sale of assets, (xxiii) contributions towards corporate social responsibility, (xiv) loss on foreign exchange transactions (net), (xxv) subscription charges, (xxvi) bad debts and (xxvii) miscellaneous expenses.

Tax Expenses

Our tax expenses primarily include current tax and deferred tax.

Profit / (loss) after tax

Profit after tax for the period includes the profit for the year after tax expenses.

• Our Restated Consolidated Financial Information

The following table sets forth select financial data from our statement of profit and loss for Fiscals 2024, 2023 and 2022, the components of which are also expressed as a percentage of total income for such periods.

Particulars	As at and for Fiscal 2024		As at and for Fiscal 2023		As at and for Fiscal 2022	
	(In ₹ million)	(As a % of total income)	(In ₹ million)	(As a % of total income)	(In ₹ million)	(As a % of total income)
Income						
Revenue from operations	2087.75	97.66%	941.66	99.20%	363.49	98.03%
Other income	50.11	2.34%	7.64	0.80%	7.32	1.97%
Total Income	2137.86	100.00%	949.30	100.00%	370.81	100.00%
Expenses						
Cost of materials consumed	486.31	22.75%	297.51	31.34%	89.32	24.09%
Purchase of stock-in-trade	6.08	0.28%	10.49	1.11%	0.00	0.00%
Changes in inventories of finished goods work-in-progress	(49.71)	(2.33%)	(118.16)	(12.45%)	(18.01)	(4.86%)
Subcontractors Charges	269.14	12.59%	74.13	7.81%	28.89	7.79%
Employee benefits expense	324.40	15.17%	156.07	16.44%	82.67	22.29%
Finance costs	32.32	1.51%	18.82	1.98%	16.44	4.43%
Depreciation expense	44.64	2.09%	40.80	4.30%	30.95	8.35%
Other expenses	259.68	12.15%	175.99	18.54%	103.37	27.88%
Total expenses	1372.86	64.22%	655.65	69.07%	333.63	89.97%
Restated Profit before tax for the year	765.00	35.78%	293.65	30.93%	37.18	10.03%
Tax expenses:						
Current tax	154.57	7.23%	57.75	6.08%	9.83	2.65%
Tax pertaining to earlier years	28.95	1.35%	0.00	0.00%	0.00	0.00%
Deferred tax	0.14	0.01%	7.77	0.82%	(6.57)	(1.77%)
Total tax expense	183.66	8.59%	65.52	6.90%	3.26	0.88%
Restated Profit for the year	581.34	27.19%	228.13	24.03%	33.92	9.15%
Restated total other comprehensive income/(loss) for the year	(0.87)	(0.04%)	(16.26)	(1.71%)	0.01	0.00%

Particulars	As at and for Fiscal 2024		As at and for Fiscal 2023		As at and for Fiscal 2022	
	(In ₹ million)	(As a % of total income)	(In ₹ million)	(As a % of total income)	(In ₹ million)	(As a % of total income)
Restated Total comprehensive income for the year	580.47	27.15%	211.87	22.32%	33.93	9.15%

COMPARISON OF THE RESULTS OF OPERATIONS

Fiscal 2024 Compared to Fiscal 2023

Total Income

Our total income increased by 125.20% to ₹2,137.86 million for Fiscal 2024 from ₹949.30 million for Fiscal 2023, on account of the factors discussed below.

Revenue from operations

Our revenue from operations comprising revenue from sale of products, sale of services and other operating income increased by 121.71% to ₹2,087.75 million for Fiscal 2024 from ₹941.66 million for Fiscal 2023, primarily due to increase in our total annualized capacity (including capacity of our Material Subsidiary) by 78.25% to 222,990 hours for Fiscal 2024 from 125,100 hours in Fiscal 2023 and number of purchase orders increased by 70.10% to 3,174 for Fiscal 2024 from 1,866 in Fiscal 2023.

Our sale of goods increased by 131.56% from ₹896.80 million in Fiscal 2023 to ₹2,076.65 million in Fiscal 2024 owing to increase in revenues from our existing customers as well as increase in revenues from new customers.

Our sale of services decreased by 88.03% from ₹29.00 million in Fiscal 2023 to ₹3.47 million in Fiscal 2024, owing to more job work being done for one of the customers in Fiscal 2023.

Our other operating income decreased by 51.89% from ₹15.86 million in Fiscal 2023 to ₹7.63 million in Fiscal 2024, due to decrease in rental income, scrap sales, duty drawback, merchant export incentives and other sales.

Other income

Our other income increased by 555.89% to ₹50.11 million for Fiscal 2024 from ₹7.64 million for Fiscal 2023, primarily due to increase in the interest income due to increase in fixed deposits, net gain on the foreign exchange transactions.

Interest income increased by 294.12% to ₹15.41 million for Fiscal 2024 from ₹3.91 million for Fiscal 2023 primarily due to increase in bank deposits. Unwinding of discount on security deposits decreased by 25.00% to ₹0.18 million for Fiscal 2024 from ₹0.24 million for Fiscal 2023. Gain on foreign exchange transactions (net) increased by 1391.43% to ₹31.32 million for Fiscal 2024 from ₹2.10 million for Fiscal 2023 primarily due to increase in exports and depreciation of Indian rupee with respect to US dollar. Subsidies increased by 940.00% to ₹1.56 million for Fiscal 2024 from ₹0.15 million for Fiscal 2023 due to one time grant received from state government on purchase of new machineries. Profit on sale of assets increased by 246.67% to ₹1.04 million for Fiscal 2024 from ₹0.30 million for Fiscal 2023 due to sale of old and unused machines. We did not incur any profit on sale of investments in Fiscal 2023 as compared to ₹0.02 million for Fiscal 2024 due to sale of investment in Unimech Healthcare India Private Limited, which was our subsidiary. This was offset by miscellaneous income that decreased by 38.30% to ₹0.58 million for Fiscal 2024 from ₹0.94 million for Fiscal 2023 on account of provisions no longer required being written back in Fiscal 2023, however, there was no such writing back of provisions in Fiscal 2024.

Expenses

Our expenses increased by 109.39% to ₹1372.86 million for Fiscal 2024 from ₹655.65 million for Fiscal 2023, on account of the factors discussed below.

Cost of materials consumed

Our cost of materials consumed increased by 63.46% to ₹486.31 million for Fiscal 2024 from ₹297.51 million for Fiscal 2023, primarily due to increase in purchase of raw materials on account of corresponding increase in revenue from operations.

Changes in inventories of finished goods and work-in-progress

Our cost of changes in inventories decreased by 57.93% to ₹(49.71) million for Fiscal 2024 from ₹(118.16) million for Fiscal 2023. Our inventories majorly represent work-in-progress and finished goods. The difference in change in inventories is primarily due to work-in-progress which was ₹26.14 million at the beginning of Fiscal 2023 and ₹109.11 million at the end of Fiscal 2023, finished goods which was Nil at the beginning of Fiscal 2023 and ₹28.02 million at the end of Fiscal 2023 and work-in-progress which was ₹109.11 million at the beginning of Fiscal 2024 and ₹22.31 million at the end of Fiscal 2024 and finished goods which was ₹28.02 million at the beginning of Fiscal 2024 and ₹171.70 million at the end of Fiscal 2024.

Sub-contractors charges

Sub-contractors charges increased by 263.06% to ₹269.14 million for Fiscal 2024 from ₹74.13 million for Fiscal 2023 primarily due to corresponding increase in revenue and capacity constraints in the initial part of the fiscal year leading to more outsourcing of manufacturing processes to meet the delivery schedules.

Employee benefits Expense

Our employee benefits expense increased by 107.86% to ₹324.40 million for Fiscal 2024 from ₹156.07 million for Fiscal 2023, primarily due to increase in salaries, wages and bonus. This was due to regular salary hikes and performance bonus given to all employees including KMPs. Also, the number of employees as on March 31, 2024 increased to 268 from 194 employees as on March 31, 2023.

Salaries, wages and bonus increased by 107.79% to ₹302.19 million for Fiscal 2024 from ₹145.43 million for Fiscal 2023. Contribution to provident and other funds increased by 31.13% to ₹5.35 million for Fiscal 2024 from ₹4.08 million for Fiscal 2023. Gratuity and compensated absences expenses increased by 88.60% to ₹2.15 million for Fiscal 2024 from ₹1.14 million for Fiscal 2023. Staff welfare expenses increased by 171.40% to ₹14.71 million for Fiscal 2024 from ₹5.42 million for Fiscal 2023.

Finance costs

Our finance costs increased by 71.73% to ₹32.32 million for Fiscal 2024 from ₹18.82 million for Fiscal 2023, primarily due to increase in total borrowings to ₹288.56 million in Fiscal 2024 from ₹222.59 million in Fiscal 2023 and guarantee commission paid on guarantee provided for the loans availed by Innomech Aerospace Toolings Private Limited from the banks.

Interest on borrowings at amortised cost increased by 60.03% to ₹20.26 million for Fiscal 2024 from ₹12.66 million for Fiscal 2023 primarily due to increase in total borrowings (current and non-current borrowings) to ₹288.56 million in Fiscal 2024 from ₹222.59 million in Fiscal 2023. We did not incur any interest on income tax in Fiscal 2024 as compared to ₹3.78 million for Fiscal 2023 since in Fiscal 2023 there was a short payment of advance tax, however, there is no such short payment in Fiscal 2024. Interest on lease liabilities decreased by 31.07% to ₹1.42 million for Fiscal 2024 from ₹2.06 million for Fiscal 2023 due to decrease in the carrying amount of total lease liabilities as per Ind AS 116. We did not incur any guarantee commission expenses in Fiscal 2023 as compared to ₹10.50 million for Fiscal 2024 due to guarantee commission being charged for the increased borrowings done by our Material Subsidiary. We did not incur any loan processing fees in Fiscal 2024 as compared to ₹0.18 million for Fiscal 2023. We did not incur any bank guarantee issue charges in Fiscal 2023 as compared to ₹0.03 million for Fiscal 2024. Interest on delayed payments to micro enterprises and small enterprises decreased by 21.43% to ₹0.11 million for Fiscal 2024 from ₹0.14 million for Fiscal 2023.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 9.41% to ₹44.64 million for Fiscal 2024 from ₹40.80 million for Fiscal 2023, primarily due to increase in property, plant and equipment to ₹450.72 million in Fiscal 2024 from ₹215.71 million in Fiscal 2023.

Depreciation and amortisation on property, plant and equipment increased by 26.10% to ₹33.67 million for Fiscal 2024 from ₹26.70 million for Fiscal 2023 primarily due to additions in factory buildings and plant & equipment. Amortisation of lease hold land remained unchanged for Fiscal 2024 and for Fiscal 2023. Amortisation on right-of-use assets decreased by 24.58% to ₹8.59 million for Fiscal 2024 from ₹11.39 million for Fiscal 2023 due to no major additions in right-of-use assets. Amortisation on intangible assets decreased by 15.42% to ₹1.81 million for Fiscal 2024 from ₹2.14 million for Fiscal 2023 due to significant additions in intangible assets in the second half of the Fiscal 2024 because of which amortization was not calculated for the entire fiscal year resulting in amortization of intangible assets decreasing.

Other expenses

Our other expenses increased by 47.55% to ₹259.68 million for Fiscal 2024 from ₹175.99 million for Fiscal 2023, primarily due to increase in manpower support cost to ₹45.79 million in Fiscal 2024 from ₹19.73 million in Fiscal 2023 due to increase in production capacity, legal and professional charges increased to ₹108.05 million in Fiscal 2024 from ₹74.67 million in Fiscal 2023 in the ordinary course of business, travelling and conveyance increased to ₹13.17 million in Fiscal 2024 from ₹7.68 million in Fiscal 2023 in the ordinary course of business, rates and taxes increased to ₹14.82 million in Fiscal 2024 from ₹4.03 million in Fiscal 2023 due to stamp duty paid towards increasing the authorised share capital, and rework and warranty costs increased to ₹13.32 million in Fiscal 2024 from ₹8.89 million in Fiscal 2023 in the ordinary course of business. This was partially offset by decrease in freight outward to ₹0.01 million in Fiscal 2024 from ₹7.66 million in Fiscal 2023 and sales promotion to ₹1.47 million in Fiscal 2024 from ₹12.40 million in Fiscal 2023.

Tax expense

Our tax expense increased by 180.31% to ₹183.66 million for Fiscal 2024 from ₹65.52 million for Fiscal 2023, primarily due to increase in profit before tax to ₹765.00 million in Fiscal 2024 from ₹293.65 million in Fiscal 2023.

Profit after tax for the period

As a result of the foregoing factors, our profit after tax for the period increased by 154.83% to ₹581.34 million for Fiscal 2024 from ₹228.13 million for Fiscal 2023.

Fiscal 2023 Compared to Fiscal 2022

Total Income

Our total income increased by 156.01% to ₹949.30 million for Fiscal 2023 from ₹370.81 million for Fiscal 2022, on account of the factors discussed below.

Revenue from operations

Our revenue from operations comprising revenue from sale of products, sale of services and other operating income increased by 159.06% to ₹941.66 million for Fiscal 2023 from ₹363.49 million for Fiscal 2022, primarily due to increase in business volumes from existing and new customers. Our total annualized capacity (including capacity of our Material Subsidiary) increased by 25.34% to 125,100 hours in Fiscal 2023 from 99,810 hours in Fiscal 2022.

Our sale of goods increased by 157.42% from ₹348.38 million in Fiscal 2022 to ₹896.80 million in Fiscal 2023 due to increase in business volumes from existing and new customers.

Our sale of services increased by 217.98% from ₹9.12 million in Fiscal 2022 to ₹29.00 million in Fiscal 2023, attributable to job works being done for one of the customers in Fiscal 2023. increased expenses.

Our other operating income increased by 164.77% from ₹5.99 million in Fiscal 2022 to ₹15.86 million in Fiscal 2023, due to increase in rental income, scrap sales, duty drawback, merchant export incentives and other sales.

Other income

Our other income increased by 4.37% to ₹7.64 million for Fiscal 2023 from ₹7.32 million for Fiscal 2022, primarily due to increase in net gain on the foreign exchange transactions, increase in subsidies and unwinding of discount on security deposits.

Interest income decreased by 4.17% to ₹3.91 million for Fiscal 2023 from ₹4.08 million for Fiscal 2022 primarily due to a decrease in interest income from fixed deposits. Unwinding of discount on security deposits increased by 60.00% to ₹0.24 million for Fiscal 2023 from ₹0.15 million for Fiscal 2022. Gain on foreign exchange transactions (net) increased by 103.88% to ₹2.10 million for Fiscal 2023 from ₹1.03 million for Fiscal 2022 due to increase in exports and depreciation of Indian rupee with respect to US dollar. Subsidies increased by 50.00% to ₹0.15 million for Fiscal 2023 from ₹0.10 million for Fiscal 2022 due to one time grant received from state government on purchase of machineries. Profit on sale of assets increased by 100.00% to ₹0.30 million for Fiscal 2023 from Nil for Fiscal 2022. Miscellaneous income increased by 118.60% to ₹0.94 million for Fiscal 2023 from ₹0.43 million for Fiscal 2022 on account of provisions no longer required being written back.

Expenses

Our expenses increased by 96.52% to ₹655.65 million for Fiscal 2023 from ₹333.63 million for Fiscal 2022, on account of the factors discussed below.

Cost of materials consumed

Our cost of materials consumed increased by 233.08% to ₹297.51 million for Fiscal 2023 from ₹89.32 million for Fiscal 2022, primarily due to increase in purchase of raw materials on account of corresponding increase in revenue from operations.

Changes in inventories of finished goods, stock in trade and work-in-progress

Our cost of changes in inventories increased by 556.08% to ₹(118.16) million for Fiscal 2023 from ₹(18.01) million for Fiscal 2022. Our inventories majorly represent work-in-progress and finished goods. The difference in change in inventories is primarily due to work-in-progress which was ₹8.13 million at the beginning of Fiscal 2022 and ₹26.14 million at the end of Fiscal 2022 and finished goods which was Nil at the beginning of Fiscal 2022 and Nil at the end of Fiscal 2022 and work-in-progress which was ₹26.14 million at the beginning of Fiscal 2023 and ₹109.11 million at the end of Fiscal 2023 and finished goods which was Nil at the beginning of Fiscal 2023 and ₹28.02 million at the end of Fiscal 2023.

Sub-contractors charges

Subcontractors cost increased by 156.59% to ₹74.13 million for Fiscal 2023 from ₹28.89 million for Fiscal 2022 primarily due to corresponding increase in revenue and capacity constraints during the Fiscal Year leading to more outsourcing of manufacturing processes to meet the delivery schedules.

Employee benefits expense

Our employee benefits expense increased by 88.79% to ₹156.07 million for Fiscal 2023 from ₹82.67 million for Fiscal 2022, primarily due to increase in salaries, wages and bonuses of all employees including KMPs. The number of employees as on March 31, 2023 increased to 194 employees in Fiscal 2023 from 115 employees as on March 31, 2022.

Salaries, wages and bonus increased by 88.67% to ₹145.43 million for Fiscal 2023 from ₹77.08 million for Fiscal 2022. Contribution to provident and other funds increased by 108.16% to ₹4.08 million for Fiscal 2023 from ₹1.96 million for Fiscal 2022. Gratuity and compensated absences expenses increased by 65.22% to ₹1.14 million for Fiscal 2023 from ₹0.69 million for Fiscal 2022.Staff welfare expenses increased by 84.35% to ₹5.42 million for Fiscal 2023 from ₹2.94 million for Fiscal 2022.

Finance costs

Our finance costs increased by 14.48% to ₹18.82 million for Fiscal 2023 from ₹16.44 million for Fiscal 2022, primarily due to increase in interest on income tax due to short payment of advance tax.

Interest on borrowings at amortised cost increased by 8.02% to ₹12.66 million for Fiscal 2023 from ₹11.72 million for Fiscal 2022 due to increase in total borrowings. Interest on income tax increased by 148.68% to ₹3.78 million for Fiscal 2023 from ₹1.52 million for Fiscal 2022 as there was short payment of advance tax in Fiscal 2023. Interest on lease liabilities decreased by 26.43% to ₹2.06 million for Fiscal 2023 from ₹2.80 million for Fiscal 2022 due to no new additions in lease liabilities. Loan processing fee decreased by 21.74% to ₹0.18 million for Fiscal 2023 from ₹0.23 million for Fiscal 2022. Interest on delayed payments to micro enterprises and small enterprises decreased by 17.65% to ₹0.14 million for Fiscal 2023 from ₹0.17 million for Fiscal 2022 in the ordinary course of business.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 31.83% to ₹40.80 million for Fiscal 2023 from ₹30.95 million for Fiscal 2022, primarily due to increase in property, plant and equipment to ₹215.71 million in Fiscal 2023 from ₹160.25 million in Fiscal 2022.

Depreciation and amortisation on property, plant and equipment increased by 40.53% to ₹26.70 million for Fiscal 2023 from ₹19.00 million for Fiscal 2022 due to due to additions in factory buildings and plant & equipment. Amortisation of lease hold land remained unchanged for Fiscal 2023 from Fiscal 2022. Amortisation on right-of-use assets increased by 21.82% to ₹11.39 million for Fiscal 2023 from ₹9.35 million for Fiscal 2022 due to significant addition in right-of-use assets in the second half of Fiscal 2022 on which amortization was not calculated for the entire year. Whereas, in Fiscal 2023, these assets were amortized for the entire year with no major additions during Fiscal 2023. Amortisation on intangible assets increased by 5.42% to ₹2.14 million for Fiscal 2023 from ₹2.03 million for Fiscal 2022 due to significant additions in intangible assets in the second half of the Fiscal 2023 because of which amortization was not calculated for the entire Fiscal Year.

Other expenses

Our other expenses increased by 70.25% to ₹175.99 million for Fiscal 2023 from ₹103.37 million for Fiscal 2022, primarily due to increase in manpower support cost to 19.73 million in Fiscal 2023 from 9.11 million in Fiscal 2022 due to increase in production capacity, freight outward to ₹7.66 million in Fiscal 2023 from ₹3.64 million in Fiscal 2022 in the ordinary course of business, legal and professional charges increased to ₹74.67 million in Fiscal 2023 from ₹41.84 million in Fiscal 2022 and sales promotion charges increased to ₹12.40 million in Fiscal 2023 from ₹1.83 million in Fiscal 2022 due to increased advertising activities in Fiscal 2023, travelling and conveyance charges increased to ₹7.68 million in Fiscal 2023 from ₹4.62 million in Fiscal 2022 in the ordinary course of business, rates and taxes increased to ₹4.03 million in Fiscal 2023 from ₹1.73 million in Fiscal 2022 and rework and warranty costs increased to ₹8.89 million in Fiscal 2023 from ₹4.65 million in Fiscal 2022 in the ordinary course of business.

Tax expense

Our tax expense increased by 1909.20% to ₹65.52 million for Fiscal 2023 from ₹3.26 million for Fiscal 2022, primarily due to increase in profit before tax to ₹293.65 million in Fiscal 2023 from ₹37.18 million in Fiscal 2022.

Profit after tax for the period

As a result of the foregoing factors, our profit after tax for the period increased by 572.57% to ₹228.13 million for Fiscal 2023 from ₹33.92 million for Fiscal 2022.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our working capital needs for our operations. We have met these requirements through cash flows from operations, equity infusions from shareholders and borrowings. As of March 31, 2024, we had ₹1136.59 million in current assets including ₹197.33 million in inventories, ₹468.42 million in trade receivables, ₹71.78 million in cash and cash equivalents, ₹239.04 million in other financial assets and ₹115.83 million in other current assets.

For the Fiscals 2024, 2023 and 2022, our total liabilities based on our Restated Consolidated Financial Information amounted ₹670.39 million, ₹444.96 million and ₹292.17 million, respectively.

We have received credit ratings of "A- with a stable outlook" from CRISIL Ratings, reflecting its strong market position, experienced management, and robust financial profile. Key strengths include a diverse product portfolio, consistent profitability, and a conservative financial structure. However, our Company's exposure to cyclical end-markets and customer concentration pose potential risks.

Cash Flows Based on Restated Consolidated Financial Information

The table below summarizes the statement of cash flows, as per our cash flow statements, for the periods indicated:

Particulars	Fiscal		
	2024	2023	2022
	(in ₹ million)		
Net cash generated from operating activities	236.33	13.54	15.28
Net cash generated from / (used in) investing activities	(239.22)	(59.19)	8.15
Net cash generated from / (used in) financing activities	55.80	29.36	(1.68)
Cash and cash equivalents at the end of the year	**71.78**	**18.75**	**34.49**

Operating Activities

Fiscal 2024

Our net cash inflow from operating activities was ₹236.33 million in Fiscal 2024. Our operating cash flows before working capital changes was ₹823.24 million in Fiscal 2024. The movements in working capital in Fiscal 2024 primarily consisted of (i) increase in trade receivables of ₹141.29 million, (ii) increase in inventories of ₹48.96 million, (iii) increase in other current financial assets of ₹182.63 million, (iv) increase in other current assets of ₹71.15 million, (v) increase in other non-current assets of ₹83.02 million, (vi) increase in trade payables of ₹62.52 million, (vii) increase in other current liabilities of ₹0.13 million, (viii) increase in provision of ₹122.07 million and decrease in other financial liabilities of ₹1.79 million.

Fiscal 2023

Our net cash inflow from operating activities was ₹13.54 million in Fiscal 2023. Our operating cash flows before working capital changes was ₹364.18 million in Fiscal 2023. The movements in working capital in Fiscal 2023 primarily consisted of (i) increase in trade receivables of ₹183.50 million, (ii) increase in inventories of ₹110.49 million, (iii) increase in other current financial assets of ₹15.81 million, (iv) increase in other current assets of ₹12.21 million, (v) increase in other non-current assets of ₹2.07 million, (vi) decrease in trade payables of ₹23.11 million, (vii) decrease in other current liabilities of ₹0.87 million, (viii) increase in provision of ₹22.48 million and increase in other financial liabilities of ₹23.71 million.

Fiscal 2022

Our net cash inflow from operating activities was ₹15.28 million in Fiscal 2022. Our operating cash flows before working capital changes was ₹87.47 million in Fiscal 2022. The movements in working capital in Fiscal 2022 primarily consisted of (i) increase in trade receivables of ₹8.26 million, (ii) increase in inventories of ₹31.76 million, (iii) increase in other current financial assets of ₹50.79 million, (iv) increase in other current assets of ₹16.44 million, (v) decrease in other non-current assets of ₹0.45 million, (vi) increase in trade payables of ₹4.67 million, (vii) increase in other current liabilities of ₹4.08 million, (viii) increase in provision of ₹15.71 million and increase in other financial liabilities of ₹8.72 million.

Investing Activities

Fiscal 2024

Our net used in investing activities was ₹(239.22) million in Fiscal 2024. This was primary due to purchase of property, plant and equipment including capital advances of ₹277.99 million, payment for acquisition of intangible assets of ₹ 0.29 million, Proceeds from sale of bank deposits of ₹18.84 million, proceeds from sale of investments of ₹0.12 million, proceeds from disposal of property, plant and equipment of ₹4.20 million and interest received of ₹15.90 million.

Fiscal 2023

Our net used in investing activities was ₹(59.19) million in Fiscal 2023. This was primary due to purchase of property, plant and equipment including capital advances of ₹54.12 million, Payments for acquisition of intangible assets of ₹0.36 million, Proceeds from sale of bank deposits of ₹0.79 million, investment in bank deposits of ₹(3.77) million, Payments for purchase of investments of ₹10.10 million, proceeds from disposal of intangible assets of ₹1.25 million and interest received of ₹7.12 million.

Fiscal 2022

Our net cash flow in investing activities was ₹ 8.15 million in Fiscal 2022. This was primary due to purchase of property, plant and equipment including capital advances of ₹ 28.54 million, proceeds from closure of bank deposits of ₹ 33.03 million, proceeds from disposal of property, plant and equipment of ₹2.81 million, and payments for purchase of investments of ₹ (8.39) million and Interest received of ₹9.24 million.

Financing Activities

Fiscal 2024

Our net cash usage from financing activities was ₹ 55.80 million in Fiscal 2024. This was primarily due to proceeds from borrowings of ₹96.99 million, finance costs paid of ₹1.13 million, Interest paid on borrowings and guarantee commission of ₹30.16 million, principal paid for lease liability of ₹8.48 million and interest paid on lease liabilities of ₹1.42 million.

Fiscal 2023

Our net cash generated from financing activities was ₹29.36 million in Fiscal 2023. This was primarily due to proceeds from issue of equity shares of ₹10.10 million, proceeds from borrowings of ₹48.93 million, finance costs paid of ₹3.28 million, Interest paid on borrowings and guarantee commission of ₹13.65 million, principal paid for lease liability of ₹10.68 million, and interest paid on lease liabilities of ₹2.06 million.

Fiscal 2022

Our net cash usage from financing activities was ₹ (1.68) million in Fiscal 2022. This was primarily due to proceeds from borrowings of ₹27.39 million, finance costs paid of ₹3.05 million, Interest paid on borrowings and guarantee commission of ₹14.62 million, principal paid for lease liability of ₹8.60 million, and interest paid on lease liabilities of ₹2.80 million.

Financial Indebtedness

As of March 31, 2024, we had Indian rupee loans of ₹135.55 million, USD loans of ₹153.01 million, with a debt* to equity ratio of 0.27 as per the Restated Consolidated Financial Information. Some of our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. We cannot assure you that we will be able to obtain these consents and any failure to obtain these consents could have significant adverse consequences for our business. For further information on our agreements governing our outstanding indebtedness, see "***Financial Indebtedness***" on page 294.

**Debt comprises of current borrowings and non-current borrowings.*

Contractual Obligations and Commitments

The table below sets forth our contractual obligations as of March 31, 2024 as per the Restated Consolidated Financial Information. These obligations primarily include:

Particulars	Total	Less than 1 year	1 year to 3 years	3 year to 5 years
	(₹ in million)			
Current Borrowings	163.38	163.37	0.00	0.00
Long-term Borrowings	125.18	0.00	105.88	19.60
Lease Liabilities	10.40	10.40	0.00	0.00
Trade Payables	135.22	135.23	0.00	0.00
Other Financial Liabilities	33.68	33.68	0.00	0.00
Total	**467.86**	**342.68**	**105.88**	**19.60**

The table below sets forth our contractual commitments as of March 31, 2024 as per the Restated Consolidated Financial Information. These commitments primarily include:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Property, plant and equipment	80.44	56.44	0.92

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total	**80.44**	**56.44**	**0.92**

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Related Party Transactions

We enter into various transactions with related parties. For further information see "***Restated Consolidated Financial Information – Note 35***" on page 279.

Quantitative and Qualitative Disclosures about Market Risk

Our principal financial liabilities comprise of borrowings, lease liabilities, trade payables, employee benefits payable, deposits, interest accrued but not due on borrowings. These financial liabilities are directly derived from its operations. Our principal financial assets include current loans, investments, trade receivables, bank balances and cash and cash equivalents.

We are exposed to credit risk, liquidity risk and market risk. Our senior management oversees the management of these risks. Our senior management ensures that our financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with our policies and risk objectives.

Credit Risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the group's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade receivables

Customer credit risk is managed by each business unit subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Liquidity Risk

Liquidity risk is defined as the risk that our Company will not be able to settle or meet its obligations on time or at a reasonable price. Our Company manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of committed credit lines. Management monitors our Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Market Risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of the financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivable and payables and loans and borrowings. Our Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk) and interest rate risk. Thus, our Company's exposure to market risk is a function of borrowing activities, revenue generating and operating activities in foreign currencies.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our Company exposure to the risk of changes in market interest rates relates primarily to our Company's long-term debt obligations with floating interest rates. Our Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Our Company manages its interest rate risk by having a balanced portfolio of fixed borrowings amounting to Nil as at March 31, 2024 and variable rate borrowings amounting to ₹288.56 million as at March 31, 2024.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our Company's exposure to the risk of changes in foreign exchange rates relates primarily to our Company's operating activities (when revenue or expense is denominated in a different currency from our Company's functional currency).

For further information, see "***Restated Consolidated Financial Information– Note 39***" on page 285.

Capital Expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for capital expansion of property, capacity expansion and purchase of plant and equipment. For the Fiscal Years 2022, 2023 and 2024 and, our capital expenditures (comprising of property, plant & equipment and capital work-in-progress) were ₹45.99 million, ₹82.57 million and ₹267.28 million, respectively as per our Restated Consolidated Financial Information

Change in accounting policies

Other than as disclosed in the Restated Consolidated Financial Information, there have been no changes in accounting policies in the Fiscals 2024, 2023 and 2022.

Segment Reporting

Our business activity primarily falls within a single reportable segment, i.e., manufacturing toolings and components to be used in the aerospace sector and we do not follow any segment reporting.

Significant Economic Changes

Other than as described above under the heading titled "***Principal Factors Affecting Our Financial Condition and Results of Operations***," to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Unusual or Infrequent Events of Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "***Principal Factors Affecting Our Financial Condition and Results of Operations***" on page 299 and the uncertainties described in the section titled "***Risk Factors***" beginning on page 28. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future Relationship Between Cost and Income

Other than as described in this Draft Red Herring Prospectus, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

New products, Services or Business Segments

Other than as described in "***Our Business***" on page 180 of this Draft Red Herring Prospectus, there are no new products or business segments in which we operate.

Seasonality of Business

Given the nature of our business operations, we generally do not believe that our business is seasonal.

Suppliers or Customer Concentration

We derived more than 95% of our revenue from operations from the sale of products to our top 10 customers in Fiscal 2022, Fiscal 2023 and Fiscal 2024. For further details, please refer "***Risk Factors – Internal Risk Factors – 2. We are dependent on our top 10 customers who contribute more than 95% of our total revenue from operations in each of the last three Fiscals and the loss of any of these customers or a significant reduction in purchases by any of them could adversely affect our business, results of operations and financial condition.***" on page 29 of the Draft Red Herring Prospectus. Other than as described in "***Risk Factors – Internal Risk Factors – 22. 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 of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations and financial condition. We depend on these third-party suppliers of raw materials and do not have firm commitments for supply or exclusive arrangements with any of our suppliers and are required to pay advances from time to time. The absence of long-term contracts or exclusive arrangements and non-recovery of advances, exposes us to potential supply chain disruptions which could significantly impact our production capacity, leading to delays in order fulfilment and potential loss of revenue.***" on page 45 of the Draft Red Herring Prospectus, we are not dependent on major suppliers for a significant portion of our revenue.

Competitive Conditions

We expect to continue to compete with existing and potential competitors. For details, please refer to the discussions of our competition in "***Risk Factors***" and "***Our Business***" on pages 28 and 180, respectively.

Reservations, Qualifications and Adverse Remarks Included by Auditors

Set out below are the reservations, qualifications and adverse remarks included by the Auditors in their report for the financial years indicated:

Financial Period/Year	Nature of Adverse Observation (Reservations, qualifications, adverse remarks, matters of emphasis or Other Matter)	Details of Adverse Observations*	Company's response to reservations, qualifications, adverse remarks or matters of emphasis, including any corrective measures	Impact on the financial statements and financial position of the Company
Financial year ended March 31, 2024	**Other Matters - Audit of the Consolidated Financial Statements**	a. We did not audit the special purpose financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 152.56 lakhs as at December 18, 2023, total revenues of ₹ 25.43 lakhs and net cash outflows amounting to ₹ (4.04) lakhs for the period ended on that date, as considered in the consolidated financial statements. These special purpose financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. b. The consolidated financial statements of the Company for the year ended March 31, 2023, were audited by another auditor whose report dated September 29, 2023 expressed an unmodified opinion on those statements. c. The comparative financial information of the Group for the year ended March 31, 2023 and the transition date opening balance sheet as at April 01, 2022 included in these consolidated financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2021, specified under Section 133 and other relevant provisions of the Act audited by	NIL	NIL

Financial Period/Year	Nature of Adverse Observation (Reservations, qualifications, adverse remarks, matters of emphasis or Other Matter)	Details of Adverse Observations*	Company's response to reservations, qualifications, adverse remarks or matters of emphasis, including any corrective measures	Impact on the financial statements and financial position of the Company
		the predecessor auditor whose report for the year ended March 31, 2023 and March 31, 2022 dated September 29, 2023 and September 29, 2022 respectively expressed an unmodified audit opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion on the consolidated financial statements is not modified in respect of the above matters.		
Financial year ended March 31, 2023	**Matters of Emphasis - Audit of the Special Purpose Consolidated Financial Statements**	**Emphasis of matter - Basis of Accounting and Restriction on Distribution and Use:** Without modifying our opinion, we draw attention to Note 2.1 to the Special Purpose Ind AS Consolidated Financial Statements, which describe the purpose and basis of accounting of the Special Purpose Ind AS Consolidated Financial Statements. These Special Purpose Ind AS Consolidated Financial Statements are prepared by the management of the Group, solely for the purpose of the preparation of restated consolidated financial information to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to "Offer Documents") in connection with its proposed Initial Public Offering ('IPO') of equity shares of Holding Company as required by Section 26 of Part I of Chapter III of the Act, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (the "ICDR Regulations"), the SEBI Communications and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI. As a result, the Special Purpose Ind AS Consolidated Financial Statements may not be suitable for another purpose. Our report is intended solely for the use of Holding Company's Board of Directors for their purpose as specified above and should not be distributed to or used by any other parties. M S K A & Associates shall not be liable to the Holding Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.	NIL	NIL

Financial Period/Year	Nature of Adverse Observation (Reservations, qualifications, adverse remarks, matters of emphasis or Other Matter)	Details of Adverse Observations*	Company's response to reservations, qualifications, adverse remarks or matters of emphasis, including any corrective measures	Impact on the financial statements and financial position of the Company
Financial year ended March 31, 2023	**Other Matter- Audit of the Special Purpose Consolidated Financial Statements**	The Company has prepared a separate set of General Purpose Financial Statements for the year ended March 31, 2023 in accordance with the Accounting Standards specified under Section 133 of the Act read along with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India on which the predecessor auditors have issued a separate auditor's report to the shareholders of the Company dated September 29, 2023. (b) The Special Purpose Consolidated Financial Statements for the year ended March 31, 2023 has been prepared by the management in accordance with the basis stated in Note 2.1 to the Special Purpose Consolidated Financial Statements solely for the purpose of preparation of Restated Financial Information to be included in the Offer Documents in connection with the proposed IPO of equity shares of the holding Company. Accordingly, the management has not presented the corresponding comparative figures in these financial statements. Our opinion is not modified in respect of the above matter.		
Financial year ended March 31, 2022	**Matters of Emphasis - Audit of the Special Purpose Consolidated Financial Statements**	**Emphasis of matter-Basis of Accounting and Restriction on Distribution and Use:** Without modifying our opinion, we draw attention to Note 2.1 to the Special Purpose Ind AS Consolidated Financial Statements, which describe the purpose and basis of accounting of the Special Purpose Ind AS Consolidated Financial Statements. These Special Purpose Ind AS Consolidated Financial Statements are prepared by the management of the Group, solely for the purpose of the preparation of restated consolidated financial information to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to "Offer Documents") in connection with its proposed Initial Public Offering ('IPO') of equity shares of Holding Company as required by Section 26 of Part I of Chapter III of the Act, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (the "ICDR Regulations"), the SEBI Communications and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI. As a result, the Special Purpose Ind AS Consolidated Financial Statements may not be suitable for another purpose. Our report is intended solely for the use of Holding Company's Board of Directors for	NIL	NIL

Financial Period/Year	Nature of Adverse Observation (Reservations, qualifications, adverse remarks, matters of emphasis or Other Matter)	Details of Adverse Observations*	Company's response to reservations, qualifications, adverse remarks or matters of emphasis, including any corrective measures	Impact on the financial statements and financial position of the Company
		their purpose as specified above and should not be distributed to or used by any other parties. M S K A & Associates shall not be liable to the Holding Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.		
Financial year ended March 31, 2022	**Other - Audit of the Special Purpose Consolidated Financial Statements**	(a) The Group has prepared a separate set of General Purpose Consolidated Financial Statements for the year ended March 31, 2022 in accordance with the Accounting Standards specified under Section 133 of the Act read along with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India on which the predecessor Auditor have issued a consolidated auditor's report to the shareholders of the Holding Company dated September 29, 2022. (b) The Special Purpose Consolidated Financial Statements for the year ended March 31, 2022 has been prepared by the management in accordance with the basis stated in Note 2.1 to the Special Purpose Consolidated Financial Statements solely for the purpose of preparation of Restated Financial Information to be included in the Offer Documents in connection with the proposed IPO of equity shares of the holding Company. Accordingly, the management has not presented the corresponding comparative figures in these financial statements. Our opinion is not modified in respect of the above matters.	Nil	Nil

Companies (Auditor's Report) Order, 2020 (CARO 2020):

The audit report dated July 03, 2024 on the audited standalone financial statements of our Company and our Material Subsidiary for the Financial Year 2023-24, a statement on certain matters specified in CARO 2020, which was modified for the qualification or adverse remarks by the respective auditors in the CARO reports of the respective companies delay in payment of disputed statutory dues by our Company and our Subsidiaries are as follows:

<u>Clause 3(vii)(a):</u> According to the information and explanations given to us and the records of our Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.

Clause 3(vii)(b): According to the information and explanation given to us and examination of records of our Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of any dispute, are as follows:

Unimech:

(₹ million)

Name of the statute	Nature of dues	Amount Demanded	Amount Paid	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax and interest there on	0.92	0.18	AY 2023-24	Commissioner of Income Taxes (Appeals)

Innomech:

(₹ million)

Name of the statute	Nature of dues	Amount Demanded	Amount Paid	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax and interest there on	28.62	5.72	AY 2023-24	Commissioner of Income Taxes (Appeals)

Significant Developments After March 31, 2024

Except as disclosed below and elsewhere in this Draft Red Herring Prospectus, there have been no significant developments after March 31, 2024, the date of the last financial statements contained in this Draft Red Herring Prospectus, to the date of filing of this Draft Red Herring Prospectus, which materially and adversely affects, or is likely to affect, our trading or profitability, or the value of our assets, or our ability to pay our liabilities within the next 12 months:

Sl No.	Particulars	Amount (In ₹ Million)
1.	Preferential allotment of 3,667,090 equity shares of face value of ₹ 5 each on 19th July 2024.	2,500.00
2.	Borrowings sanctioned from Axis bank to material subsidiary of the Company*	450.00
3.	Additions to property, plant and equipment including capital work in progress^	347.09
4.	Payment of longevity bonus to executive directors	124.05
5.	Investment in ^ - Bonds/ Non convertible debentures - Commercial Papers - Mutual funds	 1,460.55 302.90 1,248.00
6.	The Company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on March 04, 2024 and Consequently the name of the Company has changed to Unimech Aerospace and Manufacturing Limited pursuant to a fresh certificate of incorporation issued by ROC on June 21, 2024.	NA#
7.	The Company has constituted an audit committee on July 3, 2024 as mandated under the Provisions of the Companies Act, 2013 and relevant rules thereunder.	NA#
8.	A Delaware entity is Incorporated at the United States in the name of 'Unimech Global Manufacturing Solutions Inc'. This Subsidiary has been incorporated for making business acquisitions in the United States.	NA#
9.	Company has adopted ESOP Policy in its board meeting dated 21st June 2024, subject to approval of members to grant equity shares of the Company up to 1% of paid up capital of the Company	NA#

* *Borrowed two term loans vide sanction letter dated July 19, 2024. Details as below:*

a. Term Loan of ₹. 262.50 millions towards construction purpose @ repo+1.6% rate of interest, 8.10% at present

b. Term loan of ₹. 187.50 millions towards acquisition of plant and machinery @ repo+1.6% rate of interest, 8.10% at present

\# *Amount not quantifiable*

^ *Additions to property, plant and equipment and investments are on consolidated basis.*

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceedings involving our Company, Subsidiaries, Promoters and Directors ("**Relevant Parties**"); (ii) actions taken by regulatory or statutory authorities against the Relevant Parties; (iii) claims related to direct and indirect tax matters (disclosed in a consolidated manner) against the Relevant Parties; and (iv) other pending litigation/arbitration as determined to be material by our Board pursuant to the Materiality Policy as approved by our Board, in each case against the Relevant Parties. Further, there are no disciplinary actions including penalties imposed by the SEBI or the stock exchanges against our Promoters in the last five Financial Years including any outstanding action.*

For the purpose of material litigation/arbitration in (iv) above, our Board has considered and adopted the Materiality Policy with regard to outstanding litigation to be disclosed by our Company involving the Relevant Parties, in this Draft Red Herring Prospectus pursuant to the Board resolution dated August 7, 2024.

*In terms of the Materiality Policy, all outstanding litigation/ arbitration proceedings involving the Relevant Parties, other than (I) all outstanding criminal proceedings (including matters which are at an FIR stage even if no cognizance has been taken by any court); (II) all actions (including all penalties and show cause notices) by statutory and/ or regulatory authorities; and (III) all outstanding taxation proceedings, would be considered 'material' if (i) the monetary amount involved in such a proceeding exceeds, the lower of (a) 2% of the turnover of the Company as per the Restated Consolidated Financial Information for the preceding financial year; or (b) 2% of the net worth of the Company as per the Restated Consolidated Financial Information as at the end of the preceding financial year; or (c) 5% of the average of the absolute value of the profit/loss after tax as per the Restated Consolidated Financial Information of the preceding three financial years disclosed in the relevant Offer Documents ("**Threshold**"); (ii) the monetary liability is not quantifiable and does not fulfil the threshold specified in (i) above, but the outcome of any such pending proceedings may have a material adverse effect on the business, operations, result of operations, prospects, financial position or reputation of our Company, as determined by our Company.*

For determining the threshold as per (i) above, 2% of turnover, as per the Restated Consolidated Financial Information for Fiscal 2024 is ₹ 41.75 million, 2% of net worth, as per the Restated Consolidated Financial Information as at March 31, 2024 is ₹ 21.72 million and 5% of the average of absolute value of profit or loss after tax, as per the Restated Consolidated Financial Information for the last three Fiscals is ₹ 281.20 million. Accordingly, ₹ 21.72 million has been considered as the materiality threshold for the purpose of (i) above.

It is clarified that for the purposes of the above, pre-litigation notices from third parties (other than show cause notices issued by statutory/ regulatory/ tax authorities or notices threatening criminal action) received by any of the Relevant Parties shall, unless otherwise decided by our Board, shall not be deemed as material until such time that the Relevant Parties, as the case may be, are impleaded as a defendant in proceedings before any judicial/ arbitral forum.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has pursuant to a resolution dated August 7, 2024 considered and adopted the Materiality Policy for the purpose of disclosure of material creditors in this Draft Red Herring Prospectus. In terms of the Materiality Policy, outstanding dues to any creditor of our Company having monetary value which exceeds 5% of the total trade payables on a consolidated basis, of the Company i.e. ₹ 135.23 million (which is the date of the latest Restated Consolidated Financial Information of our Company disclosed in this Draft Red Herring Prospectus), have been considered 'material'.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated otherwise, the information provided below is as on the date of the Draft Red Herring Prospectus.

Litigation involving our Company

Outstanding litigation against our Company

Criminal proceedings

Nil

Actions by regulatory/ statutory authorities

Nil

Other material pending proceedings

Nil

Outstanding litigation by our Company

Criminal proceedings

Nil

Other material pending proceedings

Nil

Litigation involving our Subsidiaries

Outstanding litigation against our Subsidiaries

Criminal proceedings

Nil

Actions by regulatory/ statutory authorities

1. Sub-Regional Office, Employee State Insurance Corporation ("**ESIC**") sent a show cause notice dated May 8, 2024 ("**SCN")** to our Material Subsidiary for the alleged non-compliance of the Employee State Insurance Act, 1948 ("**Act")** and the rules made thereunder. ESIC has stated that our Material Subsidiary has (i) failed to pay monthly contributions as required under the Act for the certain months between the period from March 2020 to February 2022 and (ii) failed to pay the arrears of contribution for the same period. Representatives of our Material Subsidiary visited the ESIC office on June 26, 2024 and has submitted a reply dated June 26, 2024 requesting for an extension of timeline to furnish the relevant documents. Following this, ESIC has imposed a penalty of ₹ 6,000 on our Material Subsidiary. The matter is currently pending.

Other material pending proceedings

Nil

Outstanding litigation by our Subsidiaries

Criminal proceedings

Nil

Other material pending proceedings

Nil

In addition, set forth hereunder is a description of the material tax matters involving our Subsidiaries:

1. Deputy Director of Income Tax, Centralized Processing Centre, Bengaluru ("**Assessing Officer")** passed an intimation dated December 22, 2023 ("**Intimation")** under section 143(1) of the Income Tax Act, 1961 ("**Act**") denying the exemption of ₹ 283.72 million claimed by our Material Subsidiary under section 10AA of the Act, thereby determining total income of ₹ 334.17 million for the impugned Assessment Year 2023-24. The amount of tax payable determined by Assessing Officer is ₹ 28.62 million. Our Material Subsidiary filed an appeal against the Intimation before the Commissioner of Income Tax – Appeals, Vishakhapatnam ("**CIT-A")**. CIT-A vide their order dated June 29, 2024 has partly allowed the appeal, directing the Assessing Officer to re-assess the case, basis the merits of the deduction. The matter is currently pending.

Litigation involving our Promoters

Outstanding litigations against our Promoters

Criminal proceedings

Nil

Disciplinary actions including penalties imposed by SEBI or the Stock Exchanges in the last five Financial Years

Nil

Actions by regulatory/ statutory authorities

Nil

Other material pending proceedings

Nil

Outstanding litigations by our Promoters

Criminal proceedings

Mani P

1. Our Promoter, Mani P (the "**Complainant**") had filed a first information report dated November 3, 2020, at the Jigani Police Station, Bengaluru district, under sections 406, 420, 468 and 506 of the Indian Penal Code, 1860, against M/s. Elegance Components, a partnership firm and its partners ("**Accused**") in connection with cheques issued by the Accused to the Complaint which were dishonoured. Hereafter, the Accused issued cheques to the Complainant again which were dishonoured again, as a result of which the Complainant filed a criminal case under 138 Negotiable Instruments Act, 1881, before the additional Chief Metropolitan Magistrate, Bengaluru (the "**CMM**"). The CMM passed an order convicting the Accused and imposed a penalty. This order has been appealed by the Accused and is currently pending.

Ramakrishna Kamojhala

1. Our Promoter, Ramakrishna Kamojhala (the "**Complainant**") had filed a first information report dated November 3, 2020, at the Jigani Police Station, Bengaluru district, under sections 406, 420, 468 and 506 of the Indian Penal Code, 1860, against M/s. Elegance Components, a partnership firm and its partners ("**Accused**") in connection with cheques issued by the Accused to the Complaint which were dishonoured. Hereafter, the Accused issued cheques to the Complainant again which were dishonoured again, as a result of which the Complainant filed a criminal case under 138 Negotiable Instruments Act, 1881, before the additional Chief Metropolitan Magistrate, Bengaluru (the "**CMM**"). The CMM passed an order convicting the Accused and imposed a penalty. This order has been appealed by the Accused and is currently pending.

Other material pending proceedings

Nil

Litigation involving our Directors

Outstanding litigations against our Directors

Criminal proceedings

Nil

Actions by regulatory/ statutory authorities

Nil

Other material pending proceedings

Nil

Outstanding litigations by our Directors

Criminal proceedings

Vidya Rajajrao

1. Our Director, Vidya Rajarao (the "**Complainant**") has filed a first information report against BMW India Financial Services Private Limited and Navnit Motors Private Limited, among others (the "**Accused**") under sections 406 and 420 of the Indian Penal Code, 1860, before the Fourth Additional Chief Metropolitan Magistrate, Nrupatunga Road, Bangalore, dated April 19, 2022, and bearing reference number 0039/2022, in relation to deficiency in services availed by the Complainant from the Accused.

Except as disclosed above and under "***Outstanding Litigation by our Promoters – Criminal Proceedings***" on page 327, there are no outstanding criminal proceedings by our Directors.

Other material pending proceedings

Nil

Tax Proceedings involving the Relevant Parties

Nature of case	Number of cases	Amount involved* (in ₹ millions)
Company		
Direct Tax	1	0.92
Indirect Tax	0	0.00
Subsidiaries		
Direct Tax	1	28.62
Indirect Tax	Nil	Nil
Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Directors (other than Promoters)		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

**As certified by Vishnu Daya & Co LLP, Independent Chartered Accountants of the Company vide their certificate dated August 19, 2024.*

Outstanding dues to Creditors

As of March 31, 2024, the total number of creditors of our Company was 458, and the total outstanding dues to these creditors by our Company was ₹ 170.41 million.

As per the Materiality Policy for the purpose of disclosure of material creditors in this Draft Red Herring Prospectus, creditors of our Company to whom an amount having a monetary value which exceeds 5.00 % of our consolidated trade payables as on the date of the latest Restated Consolidated Financial Information (i.e., as at March 31, 2024). The trade payables of the Company as on March 31, 2024, as per the Restated Consolidated Financial Information, was ₹ 135.22 million. Accordingly, a creditor has been considered to be a material creditor, if the amounts due to such creditor as on March 31, 2024 exceeded ₹ 6.76 million.

Based on the above, details of outstanding dues owed to MSMEs, material and other creditors as of March 31, 2024 is set out below:

Types of creditors	Number of creditors^	Amount@ (in ₹ million)
MSMEs	83	26.05
Material creditors	2	31.42
Other creditors	373	112.94*
Total outstanding dues	**458**	**170.41**

@*As certified by Vishnu Daya & Co LLP, the Independent Chartered Accountants of the Company vide their certificate dated August 19, 2024.*

**Includes employee benefit payable of ₹ 26.15 million.*

^*An individual whose name is appearing in different overdue periods has been considered as one creditor for the purpose of calculation of number of creditors in the table above.*

The details pertaining to the outstanding dues (including overdues) towards our material creditors as of March 31, 2024, along with the name and amount involved for each such material creditor, are available on the website of our Company at https://unimechaerospace.com/investorrelations/.

It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

Material developments since the date of the last balance sheet

Other than as stated in "***Management's Discussion and Analysis of Financial Position and Results Of Operations***" on page 298, there have not arisen, since the date of the Restated Consolidated Financial Information disclosed in this Draft Red Herring Prospectus, any circumstances which may materially and adversely affect, or are likely to affect, within the next 12 months, our operations, our profitability taken as a whole or the value of our assets or our ability to pay our liabilities.

GOVERNMENT AND OTHER APPROVALS

*Our business requires various approvals, consents, licenses, registrations, and permits issued by relevant governmental and regulatory authorities of the respective jurisdictions under various rules and regulations. We have set out below an indicative list of all approvals, consents, licenses, registrations, and permits required by our Company and our Material Subsidiary, as applicable, for the purposes of undertaking their respective businesses and operations which are considered material and necessary for the purpose of undertaking business activities, and operations by our Company and our Material Subsidiary ("**Material Approvals**"). Except as mentioned below no further Material Approvals are required for carrying on the present business activities and operations of our Company and our Material Subsidiary or to undertake the Offer. Additionally, unless otherwise stated herein, these approvals, consents, licenses, registrations, and permits are valid as on the date of this Draft Red Herring Prospectus. Certain Material Approvals may have lapsed or expired or may lapse in their ordinary course of business, from time to time, and our Company and our Material Subsidiary have either already made applications to the appropriate authorities for renewal of such Material Approvals or is in the process of making such renewal applications in accordance with applicable law. We have also set out below (i) Material Approvals or renewals applied for but not received; and (ii) Material Approvals expired and renewal yet to be applied for.*

*For further details in connection with the regulatory and legal framework applicable to our Company and our Material Subsidiary, see "**Key Regulations and Policies in India**" on page 202. For incorporation details of our Company and our Material Subsidiary, "**History and Certain Corporate Matters**" on page 208. For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "**Risk Factors** – 39. **Our business and operations are subject to extensive environmental and other related regulations and policies and any onerous amendments to such regulations and policies may involve incurring added compliance costs. We also require certain licenses, permits and approvals under such laws and regulations in India in the ordinary course of business, and the failure to obtain or retain them in a timely manner may materially affect our operations.**" on page 54.*

A. Approvals in Relation to the Offer

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see "***Other Regulatory and Statutory Disclosures – Authority for the Offer***" on page 334.

B. Incorporation Details of our Company and Material Subsidiary

(a) Our Company

1. Certificate of incorporation dated August 12, 2016, issued by the RoC in the name of Unimech Aerospace and Manufacturing Private Limited.

2. Fresh certificate of incorporation dated June 21, 2024, issued by the RoC upon conversion of our Company from a private to a public limited company.

3. The Corporate Identity Number of our Company is U30305KA2016PLC095712.

(b) Our Material Subsidiary

1. Certificate of incorporation dated October 26, 2018, issued by the RoC in the name of Innomech Aerospace Toolings Private Limited.

2. The Corporate Identity Number of our Material Subsidiary is U29200KA2018PTC118006.

C. Material approvals obtained in relation to our Company and Material Subsidiary

Our Company requires various approvals issued by central and state authorities under various rules and regulations to carry on its business and operations in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with the applicable procedures and requirements. Our Company has received the following material approvals pertaining to its respective business and operations:

I. Tax related approvals obtained by our Company and Material Subsidiary

(a) Our Company

1. The permanent account number ("**PAN**") of our Company is AABCU9719Q issued by the Income Tax Department, Government of India.

2. The tax deduction account number ("**TAN**") of our Company is BLRU04066G issued by the Income Tax Department, Government of India.

3. The GST registration certificate issued to our Company by the State of Karnataka for GST payments in the State of Karnataka. The GST identification number for our facility situated in Karnataka is 29AABCU9719Q1ZC.

4. The professional tax registration number issued to our Company is 355787085 issued under the Karnataka Tax on Professions and Trades, Callings and Employment Act, 1976.

5. Importer-Exporter Code bearing number 0716504901, issued by the Office of Joint Director General of Foreign Trade, Department of Commerce, Ministry of Commerce and Industry, Government of India.

(b) Our Material Subsidiary

1. The PAN of our Material Subsidiary is AAFCI0459P issued by the Income Tax Department, Government of India.

2. The TAN of our Material Subsidiary is BLRI09097E issued by the Income Tax Department, Government of India.

3. The GST registration certificate issued to our Material Subsidiary by the State of Karnataka for GST payments in the State of Karnataka. The GST identification number for the facility of our Material Subsidiary situated in Karnataka is 29AAFCI0459P1ZZ.

   The GST registration certificate issued to our Material Subsidiary by the State of Karnataka for the Special Economic Zone. The GST identification number for the facility of our Material Subsidiary situated in the Special Economic Zone is 29AAFCI0459P2ZY.

4. The professional tax registration number issued to our Company is 376884094 under Karnataka Tax on Professions and Trades, Callings and Employment Act, 1976.

5. Importer-Exporter Code bearing number AAFCI0459P issued by the Office of Joint Director General of Foreign Trade, Department of Commerce, Ministry of Commerce and Industry, Government of India to our Material Subsidiary.

II. Labour/ Employment Related Approvals obtained by our Company and our Material Subsidiary

(a) Our Company

1. Certificates of registration issued under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, as amended.

2. Certificates of registration issued under the Employees' State Insurance Act, 1948, as amended.

3. Registration under the Contract Labour (Regulation and Abolition) Act, 1970, as amended.

(b) Our Material Subsidiary

1. Certificates of registration issued under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, as amended.

2. Certificates of registration issued under the Employees' State Insurance Act, 1948, as amended.

3. Registrations under the Contract Labour (Regulation and Abolition) Act, 1970, as amended.

III. Material approvals obtained in relation to the business and operations of our Company and Material Subsidiary

(a) Our Company

1. ***Factory licenses:*** We have obtained the license to register and work a factory under the Factories Act, 1948, and the rules made thereunder, from Factories, Boilers, Industrial Safety and Health Department for our manufacturing facility.

2. ***Environment related approvals:*** We have obtained environmental clearances, consents, and authorizations including consents from the Karnataka State Pollution Control Board where our manufacturing facility is situated, to operate under the Water (Prevention and Control of Pollution) Act, 1974, as amended, Environment Protection Act, 1986, as amended and Air (Prevention and Control of Pollution) Act, 1981, as amended.

3. ***Other material licenses/approvals/authorisations****:*

   (i) We have received One Star Export House certificate issued by the Directorate General of Foreign Trade, Ministry of Commerce and Industry, GoI.

   (ii) We have obtained registration under Industrial Employment (Standing Orders) Act, 1946 on dated May 2, 2024.

   (iii) We have obtained registration dated April 4, 2024 under the Karnataka Compulsory Gratuity Insurance Rules, 2024.

(b) *Our Material Subsidiary*

1. ***Factory licenses:*** We have obtained the license to register and work a factory under the Factories Act, 1948, and the rules made thereunder, from Factories, Boilers, Industrial Safety and Health Department for our manufacturing facility.

2. ***Environment related approvals:*** We have obtained environmental clearances, consents, and authorizations including consents from the Karnataka State Pollution Control Board where our manufacturing facility is situated, to operate under the Water (Prevention and Control of Pollution) Act, 1974, as amended, Environment Protection Act, 1986, as amended and Air (Prevention and Control of Pollution) Act, 1981, as amended.

3. ***Other material licenses/approvals/authorisations****:*

   (i) Our Material Subsidiary has obtained letter of approval dated November 1, 2019 from Office of Development Commissioner, Cochin Special Economic Zone for setting up its facility in the KIADB Special Economic Zone.

   (ii) Our Material Subsidiary has obtained letter of approval dated January 23, 2024 for approval of electrical installation under Regulation 32 of the Central Electricity Authority (Measures relating to safety and electric supply) Regulation, 2010.

   (iii) Our Material Subsidiary has obtained authorization under Hazardous & Other Wastes Management & Transboundary Movement Rules, 2016 under Karnataka State Pollution Control Board.

   (iv) Our Material Subsidiary has obtained registration dated April 16, 2024 under the Karnataka Compulsory Gratuity Insurance Rules, 2024.

   (v) Our Material Subsidiary has received One Star Export House certificate issued by the Directorate General of Foreign Trade, Ministry of Commerce and Industry, GoI.

IV. Material approvals pending in respect of our Company

1. Material approvals for which applications are currently pending before relevant authorities

As on date of this Draft Red Herring Prospectus, there are no material approvals which are currently pending before the relevant authorities.

2. Material approvals expired and approvals yet to be applied for

As on date of this Draft Red Herring Prospectus, there are no material approvals which have expired and for which the renewal application is yet to be applied by our Company.

V. Material approvals pending in respect of our Material Subsidiary

1. Material approvals for which applications are currently pending before relevant authorities

As on date of this Draft Red Herring Prospectus, there are no material approvals which are currently pending before the relevant authorities.

2. *Material approvals expired and approvals yet to be applied for*

As on date of this Draft Red Herring Prospectus, there are no material approvals which have expired and for which the renewal application is yet to be applied by, our Material Subsidiary.

VI. Intellectual Property related approvals

As on the date of this Draft Red Herring Prospectus, our Company has three registered trademarks.

S. No.	Logo	Trademark Registration Number	Class	Date of registration
1.	UNIMECH AEROSPACE	3981611	Class 7	October 24, 2018
2.	UNIMECH Engineering Efficiency and Quality	3981612	Class 7	October 24, 2018
3.	UNIMECH Engineering Efficiency and Quality	3981614	Class 12	October 24, 2018

As on the date of this Draft Red Herring Prospectus, our Company and our Material Subsidiary have applied for one trademark each, under Class 12 of the Trademarks Act, 1999, which are pending registration.

S. No.	Logo	Application reference number	Class	Date of Application
1.	innomech	10476269	Class 12	April 11, 2024
2.	unimech	11125016	Class 12	August 14, 2024

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

Our Board of Directors has authorised the Offer pursuant to a resolution dated July 3, 2024. Our Board has also taken the consent received from the Selling Shareholders dated August 7, 2024 on record by way of its resolution dated August 7, 2024.

Our Shareholders have approved and authorised the Fresh Issue by way of a special resolution dated July 3, 2024.

Our Board has approved this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges by way of resolutions dated August 19, 2024, respectively.

Authorisation by the Selling Shareholders

Each of the Selling Shareholders, severally and not jointly, have confirmed and approved its participation in the Offer for Sale in relation to the Offered Shares as follows:

Sr. No.	Name of Selling Shareholder*	Number of Equity Shares offered in the Offer for Sale / Amount	Date of consent letter
1	Ramakrishna Kamojhala	Upto ₹ 450.00 million	August 7, 2024
2	Mani P	Upto ₹ 450.00 million	August 7, 2024
3	Rajanikanth Balaraman	Upto ₹ 450.00 million	August 7, 2024
4	Preetham S V	Upto ₹ 300.00 million	August 7, 2024
5	Rasmi Anil Kumar	Upto ₹ 850.00 million	August 7, 2024

* *Our Board has also taken the consent received from the Selling Shareholders dated August 7, 2024 on record by way of its resolution dated August 7, 2024.*

The Equity Shares being offered by the Selling Shareholders in the Offer for Sale have been held by it for a period of at least one year prior to the filing of the Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered in the Offer for Sale.

For details, see "***The Offer***" on page 71.

In-principle Listing Approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI, RBI or other Governmental Authorities

Our Company, the Selling Shareholders, our Subsidiaries, our Promoters, the persons in control of our Company, the members of the Promoter Group, Directors are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and/ or Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against our Directors in the past five years preceding the date of this Draft Red Herring Prospectus

Our Company, our Promoters, Directors or Promoter Group members have neither been declared as Wilful Defaulters nor 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.

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

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, and members of Promoter Group and each of the Selling Shareholders, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent in force and applicable, as on the date of this Draft Red Herring Prospectus.

Directors associated with the securities market in any manner

None of our Directors are associated with the securities market.

There have been no outstanding actions initiated by SEBI against any of our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the eligibility criteria provided in Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), *i.e.*, as at and for the Financial Years 2024, 2023 and 2022 of which not more than 50% are held in monetary assets;

- Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), *i.e.*, as at and for the Financial Years 2024, 2023 and 2022, with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each) *i.e.*, as at and for the Financial Years 2024, 2023 and 2022, calculated on a restated and consolidated basis; and

- Our Company has not changed its name in the last one year prior to the date of this Draft Red Herring Prospectus other than for deletion of the word "private" consequent to the conversion from a private limited company to a public limited company.

Our Company's net tangible assets, operating profit, net worth, monetary assets, as restated, as derived from the Restated Consolidated Financial Information, as at and for the Fiscals 2024, 2023 and 2022, is set forth below:

Derived from the Restated Consolidated Financial Information:

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Net tangible assets (A) *(in ₹ million)*	1027.87	429.93	214.64
Operating profit (B) *(in ₹ million)*	747.21	304.83	46.30
Net worth (C) *(in ₹ million)*	1085.95	488.45	276.58
Monetary assets, as restated (D) *(in ₹ million)*	315.63	82.42	90.53
Monetary assets, as restated as a % of net tangible assets (E)=(D)/(A) (in %)	30.71	19.17	42.18

For further details, see "***Other Financial Information***" on page 291.

We are currently eligible to undertake in the Offer as per Rule 19(2)(b) of the SCRR read with Regulations 6(1) of the SEBI ICDR Regulations. Accordingly, in terms of Regulation 32(1) of the SEBI ICDR Regulations we are required to allocate: (i) not more than 50% of the Net Offer to QIBs, 5% of which shall be allocated to Mutual Funds exclusively; (ii) not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders of 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 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion; and (iii) not less than 35% of the Offer shall be available for allocation to RIBs, subject to valid Bids being received at or above the Offer Price.

Each of the Selling Shareholders, severally and not jointly, confirmed that they have held the respective Offered Shares in accordance with applicable law, and are in compliance with Regulation 8 of the SEBI ICDR Regulations and the Offered Shares are eligible for being offered in the Offer for Sale.

Further, in accordance with the conditions specified in Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees in the Offer shall not be less than 1,000 failing which the entire application monies shall be refunded forthwith, in accordance with the SEBI ICDR Regulations and timelines specified under applicable laws.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with conditions specified in Regulation 7(2) of the SEBI ICDR Regulations.

The details of compliance with Regulation 5 and Regulation 7(1) of the SEBI ICDR Regulations are as follows:

i. None of our Company, our Promoters (including the Selling Shareholders), members of the Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI;

ii. None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI;

iii. None of our Company, our Promoters or Directors is a Wilful Defaulter or a Fraudulent Borrower;

iv. None of our Promoters or Directors has been declared a fugitive economic offender (in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018);

v. There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;

vi. Our Company, along with the Registrar to the Offer, has entered into tripartite agreements dated April 15, 2024 and March 7, 2024 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;

vii. The Equity Shares of our Company held by our Promoters are in dematerialised form; and

viii. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, ANAND RATHI ADVISORS LIMITED AND EQUIRUS CAPITAL PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDERS, SEVERALLY AND NOT JOINTLY, ARE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES OR THE RESPECTIVE PORTION OF THE OFFERD SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 19, 2024, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013

Disclaimer from our Company, our Promoters, Directors, the Selling Shareholders and Book Running Lead Managers

Our Company, our Directors, the Promoters, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website https://unimechaerospace.com/ or the respective website of our Material Subsidiary or members of the Promoter Group and affiliates (each as applicable) would be doing so at his or her own risk. The Selling Shareholders, its trustees, affiliates, associates, and officers, as applicable, accept no responsibility for any statements made in this Draft Red Herring Prospectus other than those statements or undertakings specifically made or confirmed by the Selling Shareholders in relation to itself and its Offered Shares. The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided for in the Underwriting Agreement to be entered into among the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, Selling Shareholders and the BRLMs to the public at large and investors and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders and the Underwriters and each of their respective directors, trustees, partners, designated partners, officers, agents, affiliates, and representatives, as applicable 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 Selling Shareholders and the Underwriters and each of their respective directors, trustees, partners, designated partners, officers, agents, affiliates, and representatives, as applicable accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, its Subsidiaries, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, as applicable, in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, its Subsidiaries, the Selling Shareholders, their respective group companies, affiliates or associates or third parties, as applicable, for which they have received, and may in the future receive, compensation. The Book Running Lead Managers and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Promoters, the members of the Promoter Group and their directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, our Directors, our Promoters, officers, agents, Group Companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Bengaluru, Karnataka, India only.

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, 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 are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, NBFC-SI and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs (under Schedule I of the FEMA Non-debt Instruments Rules), and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to subscribe or purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which will comprise of the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. Any person who possesses this Draft Red Herring Prospectus, the Red Herring Prospectus or the Prospectus is required to keep themselves informed and observe and comply with to the extent applicable, any restrictions under the applicable legal requirements of any jurisdiction.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of anytime subsequent to this date. Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with the available exemptions from registration under the U.S. Securities Act.

Disclaimer clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

Disclaimer clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law.

Our Company shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed by the SEBI.

If our Company does not Allot the Equity Shares within two Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period, or such other rate as prescribed under applicable law. For avoidance of doubt, no liability to make any payment of interest or expenses shall accrue to the Selling Shareholders unless the delay in making any of the payments/refund hereunder or the delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of the Selling Shareholders and to the extent of the Offered Shares

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Statutory Auditor, legal counsel to our Company as to Indian law, Banker to our Company, the Book Running Lead Managers, the Registrar to the Offer, have been obtained; and consents in writing of the Syndicate Members, Public Offer Bank, Escrow Collection Bank Refund Bank and Sponsor Banks, and Monitoring Agency to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act. Further, consents received prior to filing of this Draft Red Herring Prospectus have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus with SEBI

Our Company has received written consent dated August 17, 2024 from F&S, for inclusion of F&S Report on "Overview of Global Tooling & PEC Market" dated August 17, 2024 in this Draft Red Herring Prospectus.

Experts to the Offer

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

i. Our Company has received written consent dated August 19, 2024 from M S K A and Associates, Chartered Accountants, to include their name as required under section 26 (5) of the Companies Act, read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditor, and in respect of (i) their examination report dated August 19, 2024 on our Restated Consolidated Financial Information; and (ii) their report dated August 19, 2024 on the Statement of Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

ii. Our Company has received written consent dated August 19, 2024 from Vishnu Daya & Co LLP, the Independent Chartered Accountants, to include their name as Independent Chartered Accountants required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013, in respect of the proposal issued, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

iii. In addition, our Company has also received written consent dated August 19, 2024 from Nagsons Engineers & Consultants, Independent Chartered Engineer, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in its capacity as an independent chartered engineer, in relation to their certificates. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

iv. In addition, our Company has also received written consent dated August 18, 2024 from Kalaivani S, practising company secretary, to include her name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in her capacity as a practising company secretary, in relation to her certificates.

Particulars regarding capital issues by our Company and listed group companies, Subsidiaries or associate entity during the last three years

Except as disclosed in "***Capital Structure***" on page 87, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. As on date of this Draft Red Herring Prospectus, our Company does not have any listed group companies, subsidiaries or associate companies.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public offer 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 the Equity Shares for last five years by our Company.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken a public or rights issue, as defined under the SEBI ICDR Regulation, in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/rights issue of our listed subsidiaries/promoters

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed subsidiary or any corporate promoters.

Price information of past issues handled by the Book Running Lead Managers

Price information disclosed below is as per the respective designated stock exchanges as disclosed by the respective issuers at the time of their respective issues.

A. Anand Rathi Advisors Limited

1. Price information of past issues handled by Anand Rathi Advisors Limited (during the current Fiscal and two Fiscals preceding the current financial year):

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Paras Defence and Space Technologies Limited*	1,707.78	175	October 01, 2021	475.00	+435.77%[+0.92%]	+321.77% [-1.63%]	+259.29%[-1.99%]
2.	Anand Rathi Wealth Limited!*	6,593.75	550	December 14, 2021	602.05	+12.38%[+5.22%]	+4.46%[-4.42%]	+19.55%[-6.56%]
3.	Electronics Mart India Limited#	5000.00	59	October 17, 2022	90.00	+46.02%[+5.88%]	+42.63%[+3.72%]	+23.81%[+2.98%]
4.	Suraj Estate Developers Limited#	4000.00	360	December 26, 2023	340.00	-8.56%[+0.06%]	-23.82%[+3.62%]	+22.03%[+9.61%]
5.	Azad Engineering Limited*	7400.00	524	December 28, 2023	710.00	+29.06%[-2.36%]	+153.05%[+0.08%]	+269.24%[6.81%]

Source: www.bseindia.com; www.nseindia.com
**BSE as the designated stock exchange*
#NSE as the designated stock exchange
! A discount of ₹ 25 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.

Note:
1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*
3. *Change in closing price over the closing price as on the listing date, BSE SENSEX and NIFTY 50 is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days.*
6. *NA means Not Applicable, Period not completed.*
7. *No.5 (Azad Engineering Limited)'s 30 day return is calculated as on 25 January, 2024 as 26 January, 2024 is a non-working day.*
8. *No.4 (Suraj Estate Developers Limited)'s 90 day return is calculated as on 22 March, 2024 as 24 March, 2024 is a non-working day and 180 day return is calculated as on 21st June, 2024 as 22nd June, 2024 was a non-working day.*

2. Summary statement of price information of past issues handled by Anand Rathi Advisors Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24	2	11,400.00	-	-	1	-	1	-	-	-	-	-	-	-
2022-23	1	5,000.00	NA			-	1	-	NA			-	-	-
2021-22	2	8,301.53	NA			1	-	1	NA			-	-	1

B. Equirus Capital Private Limited

A. Price information of past issues handled by Equirus Capital Private Limited (during the current Fiscal and two Fiscals preceding the current financial year):

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Divgi TorTransfer Systems Limited#	4,121.20	590.00	March 14, 2023	600.00	+12.04% [+4.30%]	+39.64% [+8.16%]	+67.75% [+14.51%]
2.	Netweb Technologies India Limited#	6,310.00	500.00[1]	July 27, 2023	942.50	+73.20% [-2.08%]	+67.87% [-2.56%]	+182.48% [+7.78%]
3.	TVS Supply Chain Solutions Limited$	8,800.00	197.00	August 23, 2023	207.05	+8.71% [+1.53%]	+6.57% [+1.29%].	-7.46% [+13.35%]
4.	Zaggle Prepaid Ocean Services Limited$	5,633.77	164.00	September 22, 2023	164.00	+30.95% [-0.67%]	+34.39% [+7.50%].	+87.71% [+10.89%].
5.	Protean eGov Technologies Limited#	4,899.51	792.00[2]	November 13, 2023	792.00	+45.21% [+7.11%]	+73.18% [+10.26%]	+45.85% [+11.91%]
6.	Fedbank Financial Services Limited$	10,922.64	140.00[3]	November 30, 2023	138.00	-2.75% [+7.94%]	-12.39% [+10.26%]	-13.43% [+13.90%]
7.	Happy Forgings Limited$	10,085.93	850.00	December 27, 2023	1,000.00	+14.06% [-1.40%]	+4.44% [+2.04%]	+42.78% [+8.53%]
8.	Jyoti CNC Automation Limited$	10,000.00	331.00[4]	January 16, 2024	370.00	+78.07% [-0.87%]	+135.94% [+2.21%]	+265.79% [+11.21%]
9.	Capital Small Finance Bank Limited#	5,230.70	468.00	February 14, 2024	435.00	-25.25% [+1.77%]	-26.09% [+1.33%]	-31.44% [+10.98%]
10.	Dee Development Engineers Limited$	4,180.15	203.00[5]	June 26, 2024	339.00	+81.16% [+2.25%]	N.A.	N.A.

***Source**: www.bseindia.com and www.nseindia.com for price information and prospectus/basis of allotment for issue details.*

Notes:

1. *A discount of ₹25 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Netweb Technologies India Limited IPO*
2. *A discount of ₹75 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Protean eGov Technologies Limited IPO*
3. *A discount of ₹10 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Fedbank Financial Services Limited IPO*
4. *A discount of ₹15 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Jyoti CNC Automation Limited IPO*
5. *A discount of ₹19 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Dee Development Engineers Limited IPO*
6. *Price on Designated Stock Exchange of the respective Issuer is considered for all of the above calculations.*
7. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
8. *N.A. (Not Applicable) – Period not completed.*

 # The S&P BSE SENSEX is considered as the Benchmark Index

$ The S&P CNX NIFTY is considered as the Benchmark Index

Summary statement of price information of past public issues handled by Equirus Capital Private Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ million)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as 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%
2024-2025*	1	4,180.15	-	-	-	1	-	-	-	-	-	-	-	-
2023-2024	8	61,882.55	-	1	1	2	2	2	-	1	2	3	2	-
2022-2023	5	28,975.05	-	1	1	-	1	2	-	1	1	1	2	-

** The information is as on the date of this Offer Document.*
The information for each of the financial years is based on issues listed during such financial year.

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in the SEBI circular bearing reference number CIR/MIRSD/1/2012 *dated* January 10, 2012 issued by SEBI, see the websites of the Book Running Lead Managers, as set forth in the table below:

Sr. No.	Name of Book Running Lead Managers	Website
1.	Anand Rathi Advisors Limited	www.anandrathiib.com
2.	Equirus Capital Private Limited	www.equirus.com

For further details in relation to the BRLMs, see "***General Information –Book Running Lead Managers***" on page 80.

Stock Market Data of Equity Shares

This being an initial public offer of equity shares of our Company, the Equity Shares are not listed on any stock exchange as of the date of this Draft Red Herring Prospectus and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer 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 DP ID, Client ID, PAN, UPI ID, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. 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.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the Book Running Lead Managers where the Bid cum Application Form was submitted by the Anchor Investor.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

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

SEBI, by way of its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 ("**March 2021 Circular**") read with the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 ("**June 2021 Circular**") and amended by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures.

As per the March 2021 Circular read with the June 2021 Circular and amended by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, for initial public offerings opening for subscription on or after May 1, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) periodic sharing of statistical details of mandate blocks/unblocks, performance of apps and UPI handles, network latency or downtime, etc., by the Sponsor Bank(s) to the intermediaries forming part of the closed user group vide email; (iv) limiting the facility of reinitiating UPI Bids to Syndicate

Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for nonallotted/ partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to the SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI ICDR Master Circular 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.

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/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 ICDR Master Circular.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues, 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

In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers 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 Book Running Lead Managers, 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.

Disposal of Investor Grievances by our Company

Our Company shall obtain authentication on the SEBI SCORES platform and will comply with the SEBI master circular (SEBI/HO/OIAE/IGRD/P/CIR/2022/0150) dated November 7, 2022 and the SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2023/156) dated September 20, 2023 in relation to redressal of investor grievances through SCORES.

Our Company has not received any investor grievances in the last three Fiscals prior to the filing of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red

Herring Prospectus. Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Krishnappayya Desai as the Company Secretary and Compliance Officer for the Offer, and he may be contacted in case of any pre-Offer or post-Offer related problems. For details, see "***General Information***" on page 73.

Our Company has also constituted a Stakeholders' Relationship Committee comprising of Mukund Srinath, Ashok Tandon and Ramakrishna Kamojhala as members, to review and redress shareholder and investor grievances. For details, see "***Our Management***" on page 215.

Each of the Selling Shareholder, severally and not jointly, have authorised the Company Secretary and Compliance Officer of our Company, and the Registrar to the Offer to redress, on their behalf, any complaints or investor grievances received from Bidders, solely to the extent of the statements specifically made, confirmed or undertaken by the Selling Shareholders in the Offer Documents in respect of themselves and their respective Offered Shares.

Other Confirmations

There is no conflict of interest between the third-party service providers (crucial for operations of our Company) and our Company, Promoters, Promoter Group, Key Managerial Personnel, Directors and the Subsidiaries and its directors and its directors.

There is no conflict of interest between the lessor of the immovable properties (crucial for operations of our Company) and our Company, Promoters, Promoter Group, Key Managerial Personnel, Directors and the Subsidiaries and its directors and its directors.

None of our Shareholders as on the date of this Draft Red Herring Prospectus, are directly or indirectly related to any of the Book Running Lead Managers or their associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended.

As on the date of this Draft Red Herring Prospectus, the securities of our Subsidiaries are not listed on any stock exchange, and, therefore, there are no investor complaints are pending against them.

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

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

SECTION VII - OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, transferred and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, our Memorandum of Association and our Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the 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 Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or any other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. The fees and expenses relating to the Offer shall be borne by each of our Company and the Selling Shareholders in the manner agreed to among our Company and the Selling Shareholders and in accordance with applicable law. For details in relation to Offer expenses, see "***Objects of the Offer***" on page 101.

Ranking of the Equity Shares

The Equity Shares being issued, transferred and allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, 2013, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, the SCRR, the Memorandum of Association and our Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including in respect of the right to receive dividend and voting. The Allottees, upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For more information, see "***Description of Equity Shares and Terms of the Articles of Association***" on page 377.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to our Shareholders in accordance with the provisions of Companies Act, our Memorandum of Association and our Articles of Association and provisions of the SEBI Listing Regulations and other applicable law. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable law. For more information, see "***Dividend Policy***" and "***Description of Equity Shares and Terms of the Articles of Association***" on pages 241 and 377, respectively.

Face value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 5 and the price at the lower end of the Price Band is ₹ [●] per Equity Share ("**Floor Price**") and at the higher end of the Price Band is ₹ [●] per Equity Share ("**Cap Price**"). The Offer Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Offer Price, Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLMs and shall be advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper [●] edition of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation, and advertised at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges to upload on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid cum Application Forms available at the website of the Stock Exchanges, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

The Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date.

At any given point of time, there shall be only one denomination of Equity Shares.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of 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 Equity Shares and be allotted bonus Equity Shares, if announced;
- right to receive surplus on liquidation, subject to any statutory and preferential claim(s) being satisfied;
- right of free transferability, subject to applicable laws including any rules and regulations prescribed by the RBI and other applicable law; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Articles of Association, and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "***Description of Equity Shares and Terms of the Articles of Association***" on page 377.

Allotment only in Dematerialised form

In terms of Section 29 of the Companies Act, 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, the following agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- tripartite agreement dated April 15, 2024 among our Company, NSDL and the Registrar to the Offer; and
- tripartite agreement dated March 7, 2024 among our Company, CDSL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialised form in multiples of [●] Equity Shares subject to a minimum Allotment of [●] Equity Shares. For details of basis of allotment, see "***Offer Procedure***" on page 356.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Karnataka, India will have exclusive jurisdiction in relation to the Offer.

Nomination Facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, 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. 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 nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participants of the Bidder would prevail. If the Bidders wish to change the nomination, they are requested to inform their respective Depository Participants.

Bid/Offer Period

BID/OFFER OPENS ON	[●][(1)]
BID/OFFER CLOSES ON	[●][(2)]

(1) *Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be [●], i.e., one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

(2) *Our Company may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

An indicative timetable in respect of the Offer is disclosed below:

Event	Indicative Date
Bid/Offer Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA*	On or about [●]
Allotment of Equity Shares/ Credit of Equity Shares to dematerialised accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* *In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI ICDR Master Circular and 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 (to the extent these have not been rescinded by the SEBI RTA Master Circular, and SEBI RTA Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs and the relevant intermediaries, to the extent applicable.*

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/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 (to the extent these have not been rescinded by the SEBI RTA Master Circular), and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLMs.

While 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 within three Working Days from the Bid / Offer Closing Date, or such other period as prescribed by the SEBI are taken, the timetable may be extended due to various factors, such as extension of the Bid / Offer Period by our Company in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. 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. Each of the Selling Shareholder, severally and not jointly, confirms that it shall extend commercially reasonable co-operation to our Company, as may be required solely in relation to its respective Offered Shares, in accordance with applicable law, to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within three Working Days from the Bid/Offer Closing Date or such time as prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid / Offer Closing Date or such other time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking, in the manner specified in the UPI Circulars, to the extent applicable, which for the avoidance of doubt, shall be deemed to be incorporated herein. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The BRLMs will be required to submit reports of compliance with listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (Other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
Bid/Offer Closing Date*	
Submission of electronic applications (Online ASBA through 3-in-1 accounts) – For RIBs other than QIBs and NIBs	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 where Bid Amount is up to ₹500,000)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Bid/Offer Period (except the Bid/Offer Closing Date)	
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 where Bid Amount is more than ₹0.50 million	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	
Modification of Bids by QIBs and NIB categories and modification/cancellation of Bids by Retail Individual Bidders[#]	Only between 10.00 a.m. on Bid/Offer Closing 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 RIBs	Only between 10.00 a.m. on Bid/Offer Closing Date and up to 5.00 p.m. IST on Bid/Offer Closing Date

 # QIBs and Non-Institutional Bidder scan neither revise their bids downwards nor cancel/withdraw their bids
** UPI mandate end time and date shall be at 5:00pm on [●]*

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the Book Running Lead Managers and the RTA on a daily basis, as per the format prescribed in SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021. 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. 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.
On the Bid/Offer Closing Date, the Bids shall be uploaded until:

i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On the Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received from Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date until the Bid/ Offer 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 BRLMs and the RTA on a daily basis.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday).

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the revised Cap Price shall be less than or equal to 120% of the revised Floor Price, the Floor Price shall not be less than the face value of the Equity Shares, and that 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. Provided that, the Cap Price of the Price Band shall be at least 105% of the Floor Price.

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

Employee Discount

Employee Discount will be offered to Eligible Employees bidding in the Employee Reservation Portion, and, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount net of Employee Discount, 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, less Employee Discount, at the time of making a Bid.

Minimum subscription

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue on the Bid/Offer Closing Date, and (ii) a minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and 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 or such time as may be prescribed, our Company and every Director of our Company who is an officer in default, to the extent applicable, shall pay interest as prescribed under applicable law.

The requirement for minimum subscription is not applicable to the Offer for Sale.

In the event of an undersubscription in the Offer, 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 Fresh Issue portion is subscribed;

ii. upon achieving (i), all the Equity Shares offered for sale in the Offer for Sale by Selling Shareholders will be Allotted; and

iii. once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Fresh Issue portion.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall be not less than 1,000.

Arrangement for disposal of odd lots

Since the Equity Shares will be traded in dematerialised form only and the market lot for the Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through the Offer.

Restrictions on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, the Minimum Promoters' Contribution and the Anchor Investor lock-in in the Offer as detailed in "***Capital Structure***" on page 87, and except as provided in the Articles of Association as detailed in "***Description of Equity Shares and Terms of the Articles of Association***" on page 377, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/splitting.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Offer

The Offer shall be withdrawn in the event that 90% of the Fresh Issue portion of the Offer is not subscribed. Our Company in consultation with the BRLMs, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid / Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s) to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares bearing face value of ₹ 5 each for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹ 5,000.00 million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2,500.00 million and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 2,500.00 million, by the Selling Shareholders. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. In the event of under subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 0.20 million (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employees not exceeding ₹ 0.50 million (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹ 0.50 million, net of Employee Discount), shall be added to the Net Offer. Our Company, in consultation with the BRLMs, may offer a discount of ₹ [●] per Equity Share on the Offer Price to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date. The Offer less the Employee Reservation Portion is the Net Offer.

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

The Offer is being made through the Book Building Process, in compliance with Regulation 32(1) of the SEBI ICDR Regulations:

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
Number of Equity Shares available for Allotment/allocation*(2)	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders	Not more than [●] Equity Shares aggregating up to ₹ [●] million
Percentage of Offer Size available for Allotment/allocation	Not more than 50% of the Net Offer shall be available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and Retail Individual Investors will be available for allocation. One-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size exceeding ₹ [●] million and up to ₹ [●] million and two thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ [●] million and under-subscription in either of these two subcategories of the Non-Institutional Portion may be allocated to Bidders in the other subcategory of the Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.	Not less than 35% of the Net Offer or the Net Offer less allocation to QIBs and Non-Institutional Investors	The Employee Reservation Portion constitutes up to [●] % of the post-Offer paid-up equity share capital of our Company

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from Mutual Funds at or above the Anchor Investor Allocation Price	The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: a) one third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Biddings more than ₹0.20 million and up to ₹1.00 million; and b) two third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Bidding more than ₹1.00 million. Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above, may be allocated to Bidders in the other sub- category of Non-Institutional Portion in accordance with SEBI ICDR Regulations. For details, see "***Offer Procedure***" on page 356.	The allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see "***Offer Procedure***" on page 356.	Proportionate; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ [●] million (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 a value exceeding ₹[●] million (net of Employee Discount) up to ₹[●] million (net of Employee Discount) each.
Minimum Bid	[●] Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹0.20 million	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹0.20 million	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, (excluding the Anchor portion) subject to applicable limits to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, (excluding the QIB portion) subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹0.20 million	Such number of Equity Shares and in multiples of [●] Equity Shares so that the maximum Bid Amount by each Eligible Employee in this portion does not exceed ₹ [●] million (net of Employee Discount)
Mode of Bidding	Through ASBA process only (except Anchor Investors). In case of UPI Bidders, ASBA process will include the UPI Mechanism.			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Mode of Allotment	Compulsorily in dematerialised form			
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply[4]	Public financial institutions as specified	Resident Indian individuals, Eligible	Resident Indian individuals, Eligible	Eligible Employees such that the Bid

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
	in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the GoI through resolution F. No.2/3/2005-DD-II dated November 23, 2005, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs, in accordance with applicable laws.	NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as Category II FPIs and registered with SEBI.	NRIs and HUFs (in the name of the karta)	Amount does not exceed ₹ [●] million (net of Employee Discount)
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[(3)] **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank(s) through the UPI Mechanism (other than Anchor Investors) that is specified in the ASBA Form at the time of submission of the ASBA Form			

* *Assuming full subscription in the Offer.*

(1) *Our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50 million per Anchor Investor, and (iii) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor*

Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof will be permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by our Company in consultation with the BRLMs.

*(2) This Offer is being made in accordance with Rule 19(2)(b) of the SCRR, through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer will be available for allocation to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis. Further, not less than 15% of the Net Offer Offer will be available for allocation to Non-Institutional Investors, of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size exceeding ₹ [●] million and up to ₹ [●] million and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ [●] million and undersubscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Net Offer will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to valid Bids being received at or above the Offer Price and in accordance with applicable laws. 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. Eligible Employees Bidding in the Employee Reservation portion can Bid up to a Bid Amount of ₹0.50 million (net off Employee Discount, if any). 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 ₹ [●] million (net off Employee Discount). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ [●] million (net off Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ [●] million (net off Employee Discount). Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. Eligible Employees can also apply under Retail Portion. However, Bids by Eligible Employees in the Employee Reservation Portion and in the Noninstitutional Portion shall be treated as multiple Bids, only if an Eligible Employee has made an application of more than ₹ [●] million (net of Employee Discount) in the Employee Reservation Portion. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion. For further details, please see "**Terms of the Offer**" on page 345. 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 price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN. For details of terms of payment of applicable to Anchor Investors, see General Information Document available on the website of the Stock Exchanges and the BRLMs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.*

(3) In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder is required in the Bid cum Application Form and such First Bidder will be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, 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.

*(4) Subject to valid bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLMs, and the Designated Stock Exchange, subject to applicable laws. In case of under-subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the balance subscription in the Offer will be met in the following order of priority: (i) through the sale of Offered Shares being offered by the Selling Shareholders in the Offer for Sale; and (ii) through the issuance of balance part of the Fresh Issue. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in "**Terms of the Offer**" on page 345.*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "***Terms of the Offer***" on page 345.

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.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Offers 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 which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

Additionally, Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and allotment in the ; (vi) general instructions (limited to instructions for completing the Bid Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of unblocking intimation/making refunds, as applicable; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications and electronic registration of bids.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 had extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**"), and modalities of the implementation of UPI Phase III has been notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on a 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 book running lead managers shall continue to coordinate with intermediaries involved in the said process.*

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 (opening on or after May 1, 2022) whose application sizes are up to ₹0.50 million shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended by the T+3 Circular, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI 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 BRLMs shall continue to coordinate with intermediaries involved in the said process.

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 SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 (to the extent applicable).

In order to streamline the bidding process and to ensure the orderly development of securities market, the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Thereafter, all intermediaries / market infrastructure institutions shall ensure that appropriate systemic and procedural arrangements are made within three months from the date of issuance of SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022.

Our Company and the BRLMs are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company, the Selling Shareholders and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulations 31 and 32(1) of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, allocate 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 shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, subject to availability of Equity Shares in the respective categories, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders (out of which (i) one third shall be reserved for Bidders with Bids exceeding ₹ [●] million and up to ₹ [●] million, and (ii) two-thirds shall be reserved for Bidders with Bids exceeding ₹ [●] 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 Bidders), and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Furthermore, up to [●] Equity Shares, aggregating up to ₹[●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, net of Employee Discount.

Under-subscription, if any, in any category, including the Employee Reservation Portion, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Undersubscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. In the event of under-subscription, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment of Equity Shares shall be made towards subscription of the Fresh Issue.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID,

Client ID, PAN and UPI ID, for UPI Bidders using 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 rematerialized subsequent to Allotment of the Equity Shares in the Offer, in compliance with applicable laws.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press releases dated June 25, 2021, September 17, 2021, March 30, 2022, and March 28, 2023.

Phased implementation of Unified Payments Interface

SEBI has issued UPI Circulars in relation to streamlining the process of public offer of *inter alia*, equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019, or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase was applicable from July 1, 2019 and the continuation of this phase was extended until March 31, 2020 *vide* SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019. Under this phase, submission of the ASBA Form by UPI Bidders through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase. Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, this phase was extended till further notice.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, *vide* SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer is being made under Phase III of the UPI (on a mandatory basis).

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 Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the applicable law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post–Offer BRLMs will be required to compensate the concerned investor.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. The Offer is being made under Phase II of the UPI Circulars, unless Phase III of the UPI Circulars becomes effective and applicable on or prior to the Bid/Offer Opening Date. The Company will be required to appoint one of the SCSBs as a sponsor bank 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 Mechanism.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such SCSBs make an application as prescribed in Annexure I of SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and 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/P/CIR/2022/75 dated May 30, 2022 and SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 (to the extent applicable). Such application shall be given only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 0.50 million, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 0.20 million and up to ₹ 0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

For further details, refer to the "*General Information Document*" available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available with the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. UPI Bidders are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

All ASBA Bidders must provide either (i) bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form; or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Form that does not contain such details are liable to be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection.

ASBA Bidders shall ensure that the Bids are made through ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub- Syndicate Members, Registered Brokers, RTAs or CDPs or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers; (ii) RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the 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 and (iii) QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, Sub- Syndicate member(s), Registered Brokers, RTAs or CDPs. For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non- repatriation basis	[●]
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	[●]
Anchor Investors	[●]
Eligible Employees bidding in the Employee Reservation Portion	[●]

* *Excluding electronic Bid cum Application Forms Notes:*

(1) *Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)*

(2) *Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.*

(3) *Bid cum Application Forms for Eligible Employees Bidding in the Employee Reservation Portion shall be available at the Registered and Corporate Office of our Company.*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds.

Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding through 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). Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For ASBA Forms (other than UPI Bidders using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Bankers to the Offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to the Offer. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send alerts as specified in SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 (to the extent applicable).

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/ Offer Closing Date ("**Cut- Off Time**"). Accordingly, UPI Bidders Bidding through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

Electronic registration of bids

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and will be disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm for the RIBs and 4.00 pm for NIBs and QIBs cv on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

The Equity Shares Issued in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in 'offshore transactions' as defined in, and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such issues and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by Promoters and members of our Promoter Group of the Company, the BRLMs and the Syndicate Member(s) and the persons related to Promoters, Promoter Group, BRLMs and the Syndicate Members.

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in the Offer in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Member(s) may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Member(s), shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices which are associate of the BRLMs or pension funds sponsored by entities which are associates of the BRLMs nor (ii) any "person related to the Promoters/ Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters/ Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Except for Mutual Funds, AIFs or FPIs other than individuals, corporate bodies and family offices sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLMs or its respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) 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 (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

Further, except for the sale of Equity Shares by the Selling Shareholders in the Offer, our Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour).

Eligible NRIs may 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 will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non- repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts or confirm or accept the UPI mandate request (in case of UPI Bidders using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour). Participation by Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment. 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 investment by NRIs, please see the section titled "***Restrictions on Foreign Ownership of Indian Securities***" on page 376.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/NRO accounts.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. The limits of investments by NRIs and OCIs has been increased from 10% to 12% of the paid-up equity share capital of the Company provided that the shareholding of each NRI or OCI in the Company shall not exceed 5% of the paid-up equity share capital on a fully dilutes basis or such other limit as may be stipulated by RBI in each case from time to time by passing a special resolution.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *karta*". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-offer Equity Share capital on a fully diluted basis. Further, in terms of the FEMA Non-debt Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates. In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the

Offer to ensure there is no breach of the investment limit, within the timelines for Offer procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may offer, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time. In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of derivative instrument is made by, or on behalf of it subject to, *inter alia*, the following conditions:

a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected.

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category I FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

Bids by SEBI registered VCFs, AIFs and FVCIs

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 SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs,

Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs or FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and Category II AIFs cannot invest more than 25% of the investible funds in one investee company. However, large value funds for accredited investors of Category I AIFs and Category II AIFs may invest up to 50% of the investible funds in an investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. However, large value funds for accredited investors of Category III AIFs may invest up to 20% of the investible funds in an investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed.

Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and the Master Directions – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, ,as per the last audited balance sheet or a subsequent balance sheet, whichever is less.. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on investment made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the RBI (Financial Services provided by Banks) Directions, 2016, as amended. Bids by banking Companies should not exceed the investment limits prescribed for them under the applicable laws.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under Regulation 9 the Insurance Regulatory and Development

Authority (Investment) Regulations, 2016 **(IRDA Investment Regulations**), and are 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 IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

- equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;

- the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

- the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

* *The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹0.50 million million or more but less than ₹2,500,000 million.*

Insurance companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI, from time to time, including the IRDAI Investment Regulations for specific investment limits applicable to them.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250.00 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250.00 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250.00 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below:

a) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

b) The Bid was required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 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 were aggregated to determine the minimum application size of ₹ 100 million .

c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

d) Bidding for Anchor Investors opened one Working Day before the Bid/Offer Opening Date and will completed on the same day.

e) Our Company, in consultation with the BRLMs, finalised 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 ₹ 100.00 million;
- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100.00 million but up to ₹ 2,500.00 million, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor; and
- in case of allocation above ₹ 2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500.00 million and an additional 10 Anchor Investors for every additional ₹ 2,500.00 million, subject to minimum Allotment of ₹ 50.00 million per Anchor Investor.

f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made, is required to be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

h) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price

i) 50% Equity Shares allotted to Anchor Investors shall be locked–in for a period of 90 days from the date of Allotment, whereas, the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices which are associate of the BRLMs or pension funds sponsored by entities which are associates of the BRLMs nor any "person related to the Promoters or Promoter Group" could apply in the Offer under the Anchor Investor Portion.

k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion were not considered multiple Bids

l) For more information, see the General Information Document.

Bids by Eligible Employees

Bids under Employee Reservation Portion by Eligible Employees shall be:

a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).

b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employees does not exceed ₹[●] million (net of Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid amounting up to ₹ [●] million (which will be less Employee Discount). In the event of any under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees, who have bid in excess of ₹ [●] million, provided however that the maximum Bid in this category by an Eligible Employee cannot exceed ₹ [●] million (net of Employee Discount).

c) Only Eligible Employees (as defined in this Draft Red Herring Prospectus) would be eligible to apply in this Offer under the Employee Reservation Portion.

d) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

e) Only those Bids, which are received at or above the Offer Price net of Employee Discount, would be considered for Allotment under this category.

f) Eligible Employees can apply at Cut-off Price.

g) Eligible Employees bidding in the Employee Reservation Portion may Bid either through the UPI mechanism or ASBA (including syndicate ASBA).

h) In case of joint bids, the First Bidder shall be an Eligible Employee.

i) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual bidders and Eligible Employees in the Employee Reservation Portion can revise or withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

Do's:

1. Investors must 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 release dated June 25, 2021.

2. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an UPI Bidder Bidding through the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle) in the Bid cum Application Form;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders using UPI Mechanism, may

submit their ASBA Forms with Syndicate Member(s), Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism) to make an application in the Offer;

8. 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;

9. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgment specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

12. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the link available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for SCSBs and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 for mobile applications or at such other websites as may be prescribed by SEBI from time to time;

13. UPI Bidders bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for UPI Bidders using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

15. 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;

16. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, 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 Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) 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, 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;

18. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

19. Ensure that 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;

20. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

22. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

23. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

24. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

25. 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);

26. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

27. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank by 5:00 p.m. on the Bid/ Offer Closing Date;

28. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

29. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;

30. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders Bidding through the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

31. Ensure sufficient balance in the relevant ASBA account.

32. UPI Bidders bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;

33. Ensure that Bids above ₹ 0.50 million submitted by ASBA Bidders are uploaded only by the SCSBs;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid 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 ₹ 0.20 million (for Bids by Retail Individual Bidders)

4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

8. Do not submit the Bid for an amount more than funds available in your ASBA account.

9. 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 a Bidder;

10. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;

11. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;

12. Anchor Investors should not Bid through the ASBA process;

13. Do not Bid for a Bid Amount exceeding ₹ [●] million (for Bids by Retail Individual Investors) and ₹ [●] million (net of Employee Discount) for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

14. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

15. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

16. Do not submit the General Index Register (GIR) number instead of the PAN;

17. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

18. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

19. 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);

20. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

21. Do not submit your Bid after 5.00 pm on the Bid/Offer Closing Date;

22. If you are a QIB, do not submit your Bid after 5:00 pm on the QIB Bid/Offer Closing Date;

23. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

24. Do not Bid for Equity Shares in excess of what is specified for each category;

25. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

26. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

27. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

28. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;

29. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

30. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding through the UPI Mechanism;

31. Do not submit a Bid cum Application Form with a third-party UPI ID or using a third-party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism);

32. In case of ASBA Bidders (other than 3-in-1 Bids), Syndicate Member(s) shall ensure that they do not upload any bids above ₹ 0.50 million;

33. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned in the list provided on the SEBI website is liable to be rejected;

34. Do not Bid if you are an OCB; and

35. The Bidder does not have sufficient balance in relevant ASBA account.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders 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);

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the first Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by RIBs with Bid Amount of a value of more than ₹ 0.20 million (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 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, please see the section titled "***General Information***" on page 78.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the March 2021 Circular in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section titled "***General Information – Book Running Lead Managers***" on page 80.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and the Prospectus 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% per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual 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 Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non- Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder 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

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of [●], an English national daily newspaper; (ii) all editions of [●], a Hindi daily newspaper; and (iii) [●] edition of [●], a Kannada daily newspaper, Kannada being the regional language of Bengaluru, where our Registered and Corporate Office is located, each with wide circulation.

Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the BRLMs and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in: (i) all editions of [●], an English national daily newspaper; (ii) all editions of [●], a Hindi daily newspaper; and (iii) [●] edition of [●], a Kannada daily newspaper, Kannada being the regional language of Bengaluru, where our Registered and Corporate Office is located, each with wide circulation.

The above information is given for the benefit of the Bidders/applicants. Our Company, and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

a) Our Company and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.

b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"*Any person who—*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI;

- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;

- it shall not issue any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;

- the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- 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;

- except for the exercise of options pursuant to the ESOP Policy, no further offer of the Equity Shares shall be made till the Equity Shares Issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc

- Promoter's contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees.

- that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly; and

- that if our Company in consultation with the BRLMs withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft Offer document with SEBI, in the event our Company subsequently decides to proceed with the Offer thereafter.

Undertakings by the Selling Shareholders

Each of the Selling Shareholders, severally and not jointly undertake the following:

- they are legal and beneficial owner of, and has clear and marketable title to, the Equity Shares which are offered by it pursuant to the Offer for Sale;

- the Offered Shares have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI

- the Equity Shares offered for sale by the Selling Shareholders in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;

- they shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;

- the Equity Shares being offered for sale by the Selling Shareholders pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer;

- they shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;

- that they shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;

- they shall provide such reasonable support and cooperation to our Company and the BRLMs in relation to the Equity Shares offered by it in the Offer for Sale for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges; and

- they shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price, will be taken by our Company in consultation the BRLMs, in accordance with applicable law.

Utilisation of Net Proceeds

The Selling Shareholders together with our Company declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account (for the purpose of monitoring by the Monitoring Agency) other than the bank account referred to in sub- section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Offer shall be from the above-mentioned separate bank account only and the same shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT (formerly, Department of Industrial Policy & Promotion) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the "**FDI Policy**"), which consolidates, subsumes and supersedes all previous press note, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of Press Note 3 of 2020, dated April 17, 2020 ("**Press Note**"), issued by the DPIIT, the FDI Policy and the FEMA (Non-debt Instruments) Rules has been amended to state that 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. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Further, in accordance with the amendment to the Companies (Share Capital and Debentures) Rules, 2014 vide notification dated May 4, 2022 issued by Ministry of Corporate Affairs, a declaration shall be inserted in the share transfer form stipulating whether government approval shall be required to be obtained under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to transfer of shares, as applicable. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the FDI Policy, FDI in companies engaged in manufacturing, which is the sector in which our Company operates, is permitted up to 100% of the paid-up share capital of such company under the automatic route.

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 such transfer does not attract the provisions 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 SEBI and RBI. For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "***Offer Procedure – Bids by Eligible NRIs***" and "***Offer Procedure – Bids by FPIs***" on page 362.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see "***Offer Procedure***" beginning on page 356.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII - DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

These Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof. Capitalised terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Regulations in Table F in the first schedule to the Companies Act, 2013 shall apply to this Company except in so far as they are not inconsistent with any of the provisions contained in these regulations and except in so far as they are hereinafter expressly or impliedly excluded or modified.

1. (1) In these Articles -

(i) "**Act**" means the Companies Act, 2013 (including the relevant rules framed thereunder) or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

(ii) "**Applicable Laws**" means all applicable statutes, laws, ordinances, rules and regulations, judgments, notifications circulars, orders, decrees, bye-laws, guidelines, or any decision, or determination, or any interpretation, policy or administration, having the force of law, including but not limited to, any authorization by any authority, in each case as in effect from time to time

(iii) "**Articles**" means these articles of association of the Company or as altered from time to time.

(iv) "**Board of Directors**" or "**Board**", means the collective body of the Directors of the Company nominated and appointed from time to time in accordance with Articles 88 to 98, herein, as may be applicable.

(v) "**Company**" means **Unimech Aerospace and Manufacturing Limited**

(vi) "**Lien**" means any mortgage, pledge, charge, assignment, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, any voting rights, right of set-off, counterclaim or banker's lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy;

(vii) "**Rules**" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

(viii) "**Memorandum**" means the memorandum of association of the Company or as altered from time to time.

2.(a) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

2.(b) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

Articles to be contemporary in nature

3. The intention of these Articles is to be in consonance with the contemporary rules and regulations prevailing in India. If there is an amendment in any Act, rules and regulations allowing what were not previously allowed under the statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles.

Share capital and variation of rights

4. The authorized share capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in Clause V of Memorandum of Association with power to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.

5. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par (subject to the compliance with the provision of section 53 of the Act) and at such time as they may from time to time think fit provided that the option or

right to call for shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

6. Subject to the provisions of the Act, these Articles and with the sanction of the Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board think fit, the Board may issue, allot or otherwise dispose shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, provided that the 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.

7. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other Applicable Laws:

(a) Equity Share capital:

(i) with voting rights; and / or

(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and

(b) Preference share capital

8. (1) Unless the shares have been issued in dematerialized form, every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission, sub-division, consolidation or renewal of shares or within such other period as the conditions of issue shall provide –

(a) one or more certificates in marketable lots for all his shares of each class or denomination registered in his name without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of Rupees Twenty for each certificate or such charges as may be fixed by the Board for each certificate after the first.

(2) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to the person first named on the register of members shall be sufficient delivery to all such holders.

(3) Every certificate shall specify the shares to which it relates, 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 Board may prescribe and approve.

9. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time, or any statutory modification thereto or re-enactment thereof. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

The Company shall also maintain a register and index of beneficial owners in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in dematerialized form in any medium as may be permitted by law including in any form of electronic medium.

10. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees not less than Rupees twenty and not more than Rupees fifty for each certificate as may be fixed by the Board.

Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Board shall comply with such rules or regulations or requirements of any stock exchange or the rules made under the Act or rules made under the Securities Contracts (Regulation) Act,1956 or any other act, or rules applicable thereof in this behalf.

11. Except as required by Applicable Laws, 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 Articles or by Applicable Laws) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

12. Subject to the applicable provisions of the Act and other Applicable Laws, any debentures, debenture-stock or other securities may be issued at a premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at a general meeting, appointment of nominee directors, etc. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by special resolution.

13. The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

14. (1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.

(2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.

(3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

15. (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

(2) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.

16. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

17. Subject to section 55 and other provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

18. (1) Where at any time, the Company proposes to increase its subscribed capital by issue of further Securities, either out of the unissued capital or the increased share capital, such Securities shall be offered:

(a) to persons who, at the date of offer, are holders of Equity Shares of the Company, in proportion as near as circumstances admit, to the share capital paid up on those shares by sending a letter of offer on the following conditions:

i. the aforesaid offer shall be made by a notice specifying the number of Securities offered and limiting a time prescribed under the Act from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

ii. the aforementioned offer shall be deemed to include a right exercisable by the person concerned to renounce the Securities offered to him or any of them in favour of any other person and the notice mentioned in sub-Article (i), above shall contain a statement of this right; and

iii. after the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Securities offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company; or

(b) to employees under any scheme of employees' stock option, subject to a special resolution passed by the Company and subject to the conditions as specified under the Act and Rules thereunder; or

(c) to any persons, if it is authorized by a special resolution passed by the Company in a General Meeting, whether or not those persons include the persons referred to in clause (a) or clause (b) above, either for cash or for consideration other than cash, subject to applicable provisions of the Act and Rules thereunder.

The notice referred to in sub-clause (i) of sub-Article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Members at least 3 (three) days before the opening of the issue.

The provisions contained in this Article shall be subject to the provisions of the section 42 and section 62 of the Act, the rules thereunder and other applicable provisions of the Act.

(2) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debenture or loans into shares in the Company.

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debenture or the raising of loan by a special resolution passed by the Company in general meeting.

(3) A further issue of securities may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

(4) The Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with purchase or subscription made or to be made by any person of or for any shares in the Company, nor shall the Company make a loan for any purpose whatsoever on the security of its shares, but nothing in this Article shall prohibit transactions mentioned in Section 67 of the Act. Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 and other applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

Lien

19. (1) The fully paid shares will be free from all Lien, however, Company shall have a first and paramount Lien –

(a) on every share/ Share/Debentures (not being a fully paid share) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares/debentures (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share/Debenture to be wholly or in part exempt from the provisions of this Article.

Provided further that Company's lien, if any, on such partly paid shares, shall be restricted to money called or payable at a fixed price in respect of such shares.

(2) The Company's Lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

(3) Unless otherwise agreed by the Board, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's Lien.

20. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a Lien:

Provided that no sale shall be made-

(a) unless a sum in respect of which the Lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the Lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

21. (1) To give effect to any such sale, the Board may authorize some person to transfer the shares/ Debentures sold to the purchaser thereof.

(2) The purchaser shall be registered as the holder of the shares/Debentures comprised in any such transfer.

(3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

(4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale

22. (1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the Lien exists as is presently payable.

(2) The residue, if any, shall, subject to a like Lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

23. The provisions of these Articles relating to Lien shall mutatis mutandis apply to any other securities including debentures of the Company.

Calls on shares

24. (1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the preceding call

(2) 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.

(3) A call may be revoked or postponed at the discretion of the Board.

25. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.

26. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

27. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.

(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

28. (1) Any sum which 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 such sum becomes payable.

(2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

29. The Board :

(a) may, if it thinks fit, subject to the provisions of the Act, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends subsequently declared or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

The Directors may at any time repay the amount so advanced.

30. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

31. All calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

32. The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

Transfer of shares

33. (1) A common form of transfer shall be used and the instrument of transfer of any share in the Company shall be in writing which shall be duly executed by or on behalf of both the transferor and transferee 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.

(2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

34. The Board may, subject to the right of appeal conferred by the section 58 of the Act and other applicable provisions of the Act or any other law for the time being in force, decline to register the transfer or the transmission by operation of law of the right to–

(a) any share, not being a fully paid share/debentures, to a person of whom they do not approve; or

(b) any shares/debentures on which the Company has a Lien.

The registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

The Company shall within thirty days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

35. The Board may decline to recognize any instrument of transfer unless-

(a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under sub-section (1) of section 56 of the Act;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

The registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

36. On giving of previous notice of at least seven days or such lesser period in accordance with the Act 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.

37. Subject to the provisions of sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Applicable Laws for the time being in force, the Board may refuse whether in pursuance of any power of the

Company under these Articles or any other Applicable Laws to register the transfer of, or the transmission by operation of Applicable Laws of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one (1) month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, or such other period as may be prescribed, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that, subject to provisions of Article 32, the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. Transfer of shares/debentures in whatever lot shall not be refused.

38. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Transmission of shares

39. (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.

(2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

40. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(2) 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.

41. (1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

42. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

43. The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company

44. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document

Forfeiture of shares

45. If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

46. The notice aforesaid shall:

(a) 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

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

47. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

48. When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members.

49. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

50. (1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.

(2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

51. (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(2) 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.

52. (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(3) The transferee shall thereupon be registered as the holder of the share; and

(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

53. Upon any sale after forfeiture or for enforcing a Lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser’s name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.

54. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

55. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.

56. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, 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.

57. The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Borrowing Powers

58. Subject to the provisions of the Act and these Articles, the Board may from time to time, at its own discretion, borrow monies by passing a resolution at meetings of the Board; provided however, that if the monies to be borrowed, together with the money already borrowed by the Company exceeds the aggregate of the paid-up share capital and free reserves and securities premium of the Company, then such borrowing must be approved by way a special resolution in accordance with the provisions of the Act.

Alteration of capital

59. Subject to the provisions of the Act, the Company may, by ordinary resolution–

(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:

Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;

(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum;

(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

60. Where shares are converted into stock:

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;

(c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "**share**" and "**shareholder**"/ "**member**" shall include "**stock**" and "**stock-holder**" respectively.

61. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, -

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any securities premium account; and/or

(d) any other reserve in the nature of share capital.

62. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

(a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.

(b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

(c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

(d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

(e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.

(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.

(f) The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

Capitalization of profits

63. (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve -

(a) 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, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards:

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).

(3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(4) The Board shall give effect to the resolution passed by the Company in pursuance of these Article.

64. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall-

(a) make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares or other securities, if any; and

(b) generally do all acts and things required to give effect thereto.

(2) The Board shall have power -

(a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and

(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.

(3) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

65. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other Applicable Laws for the time being in force, the Company may purchase its own shares or other specified securities.

General meetings

66. All general meetings other than annual general meeting shall be called extraordinary general meeting.

67. The Board may, whenever it thinks fit, call an extraordinary general meeting.

68. General Meeting shall be called by giving not less than twenty one days' notice, either in writing or through electronic mode as prescribed under the Act, except as otherwise provided by law. For the purpose of reckoning twenty one days' notice, the day of sending the notice and the day of the Meeting shall not be counted. The notice shall specify the place, date, day and hour of the Meeting and the business to be transacted thereat. In the case of special business, an explanatory statement shall be annexed to the notice in accordance with the provisions of Section 102 of the Act. Such notice shall be given in the manner hereinafter mentioned or in such other manner, if any, as prescribed under the Act, to all the Members and to the persons entitled to a share in the consequence of death or insolvency of a Member, and to such other persons as specified under law.

Any accidental omission to give notice of a Meeting to, or the non-receipt of notice of a Meeting by, any Member or other person entitled to receive such notice shall not invalidate the proceedings of the Meeting.

Proceedings at general meetings

69. No business shall be transacted at any general meeting unless a Minimum required quorum as per Section 103 of the Companies Act, 2013 of members is present at the time when the meeting proceeds to business.

70. No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.

71. The quorum for a general meeting shall be as provided in the Act.

72. 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, by poll or electronically, choose one of their members to be Chairperson of the meeting.

73. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.

74. (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –

(a) is, or could reasonably be regarded, as defamatory of any person; or

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interests of the Company.

(3) 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 the aforesaid clause.

(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

75. (1) The book/binder containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

a. be kept at the registered office of the Company; and

b. be open to inspection of any member without charge, during business hours on all working days.

(2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above.

Adjournment of meeting

76. (1) The Chairperson may, *suo motu*, adjourn the meeting from time to time and from place to place with the consent of the members where quorum is present

(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(3) 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.

(4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

77. Subject to any rights or restrictions for the time being attached to any class or classes of shares -

(a) on a show of hands, every member present in person shall have one vote; and

(b) 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.

78. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

79. (1) 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.

(2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

80. 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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

81. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

82. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of Lien.

83. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.

84. Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

Proxy

85. (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

(2) The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarized 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.

86. An instrument appointing a proxy shall be in the form as prescribed in the Rules.

87. 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.

Board of Directors

88. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).

The following persons were the First Directors of the Company at the time of Incorporation:

1. Mrs. Radhika Kamojhala (DIN: 07343813)

2. Mrs. Savitha Karunakaran Nayar (DIN: 06619327)

89. The Directors shall not be required to hold any specific qualification shares in the Company.

88A (1) The Board of Directors shall appoint the Chairperson of the Company.

The same individual may, at the same time, be appointed as the Chairperson as well as the Managing Director of the Company.

(2) The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

90. (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(2) The remuneration payable to the directors, including manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.

(3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or

(b) in connection with the business of the Company.

(4) Subject to the provisions of these Articles and the provisions of the Act, the Board may, decide to pay a Director out of funds of the Company by way of sitting fees, within the ceiling prescribed under the Act, a sum to be determined by the Board for each meeting of the Board or any committee or sub-committee thereof attended by him in addition to his traveling, boarding and lodging and other expenses incurred

APPOINTMENT AND REMUNERATION OF DIRECTORS

91. Subject to the provisions of the Act and these Articles, the Board of Directors, may from time to time, appoint one or more of the Directors to be Managing Directors or other whole-time Director(s) of the Company, for a term not exceeding five years at a time and may, from time to time, (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places and the remuneration of Managing or Whole-Time Director(s) by way of salary and commission shall be in accordance with the relevant provisions of the Act.

92. Subject to the provisions of the Act, the Board shall appoint Independent Directors, who shall have appropriate experience and qualifications to hold a position of this nature on the Board.

93. Subject to the provisions of section 196, 197 and 188 read with Schedule V to the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General meeting may, from time to time, determine and such further remuneration shall be divided among the

Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination shall be divided among the Directors equally or if so determined paid on a monthly basis.

94. Subject to the provisions of these Articles, and the provisions of the Act, if any Director, being willing, shall be called upon to perform extra service or to make any special exertions in going or residing away from the place of his normal residence for any of the purposes of the Company or has given any special attendance for any business of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director

95. 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.

96. (1) Subject to the provisions of the Act, 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 the Articles.

(2) 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.

97. (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article 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 for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

(2) An alternate director 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

(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

98. (1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

(2) The director so appointed shall hold office only up to the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

Powers of Board

99. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the Memorandum or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other Applicable Laws and of the Memorandum and these Articles and to any regulations, not being inconsistent with the Memorandum and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

Proceedings of the Board

100. (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

Provided, that the Board of Directors shall hold meetings at least once in every three months and at least four times every calendar year.

(2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.

(3) The quorum for a Board meeting shall be as provided in the Act.

(4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under Applicable Laws.

(5) At least 7 (seven) Days' written notice shall be given in writing to every Director by hand delivery or by speed-post or by registered post or by facsimile or by email or by any other electronic means, either (i) in writing, or (ii) by fax, e-mail or other approved electronic communication, receipt of which shall be confirmed in writing as soon as is

reasonably practicable, to each Director, setting out the agenda for the meeting in reasonable detail and attaching the relevant papers to be discussed at the meeting and all available data and information relating to matters to be discussed at the meeting except as otherwise agreed in writing by all the Directors.

101. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

102. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

103. (1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their members to be Chairperson of the meeting

104. (1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.

(2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

(3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under Applicable Laws.

105. (1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.

(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time allocated for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

106. (1) A Committee may meet and adjourn as it thinks fit.

(2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.

(3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

107. 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 that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

108. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer

109. (1) Subject to the provisions of the Act, -

A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

(2) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

Registers

110. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules.

The registers and copies of annual return shall be open for inspection during business hours on all working days, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

111. (1) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.

(2) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

Dividends and Reserve

112. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

113. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

112A Subject to the provisions of the Act, the Board may from time to time pay to the members such special dividends of such amount on such class of shares and at such times as it may think fit.

114. (1) 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 applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

(2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

115. (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

(3) 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.

116. (1) 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.

(2) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

117. (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(3) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

118. 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.

119. No dividend shall bear interest against the Company.

120. The waiver in whole or in part of any dividend on any share by any document shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

UNPAID OR UNCLAIMED DIVIDEND

121. (1) Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall, within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank subject to the applicable provisions of the Act and the Rules made thereunder.

(2) The Company shall, within a period of ninety days of making any transfer of an amount, as stated above to the unpaid dividend account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.

If any default is made in transferring the total amount referred to in sub-article (1) or any part thereof to the unpaid dividend account of the Company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent. per annum and the interest accruing on such amount shall ensure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under section 125 of the Act. Any person claiming to be entitled to an amount may apply to the authority constituted by the Central Government for the payment of the money claimed.

All shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of the Investors Education and Protection Fund subject to the provisions of the Act and Rules.

(3) No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by Applicable Laws.

Accounts

122. (1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.

(2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by Applicable Laws or authorized by the Board.

Winding up

123. Subject to the applicable provisions of the Act and the Rules made thereunder –

(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, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(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.

(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.

Indemnity and Insurance

124. (1) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

(2) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

(3) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

Secrecy

125. Every Director, Manager, Auditor, Treasurer, 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 Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

General Power

126. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the "**Listing Regulations**"), the provisions of the Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the Listing Regulations, from time to time.

SECTION IX - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC, and will also be available at the following web-link: https://unimechaerospace.com/investorrelations/. Copies of the above-mentioned documents referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

Material contracts to the Offer

1. Offer agreement dated August 19, 2024 entered into among our Company, the Selling Shareholders and the BRLMs.

2. Registrar agreement dated August 19, 2024 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.

3. Monitoring agency agreement dated [●] entered into between our Company and the Monitoring Agency.

4. Cash escrow and sponsor bank agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, Banker(s) to the Offer, and the Registrar to the Offer.

5. Share escrow agreement dated [●] entered into among our Company, the Selling Shareholders, and the Share Escrow Agent.

6. Syndicate agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs and Syndicate Members.

7. Underwriting agreement dated [●] entered into among our Company, the Selling Shareholders, the Registrar, the BRLMs and Syndicate Members.

Material documents

1. Certified copies of the Memorandum of Association and the Articles of Association, as amended until date.

2. Certificate of incorporation dated August 12, 2016, issued by the Registrar of Companies, Karnataka at Bangalore in the name of Unimech Aerospace and Manufacturing Private Limited.

3. Fresh certificate of incorporation dated June 21, 2024 issued by the Registrar of Companies, Karnataka at Bangalore upon conversion of our Company from a private to a public limited company.

4. Copies of the annual reports of the Company as of and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022.

5. Resolution dated July 3, 2024 passed by the Board authorising the Offer and other related matters.

6. Resolution dated July 3, 2024 passed by the Shareholders authorising the Fresh Issue and other related matters.

7. Consent letters issued by the Selling Shareholders, each dated August 7, 2024, for participation in the Offer for Sale, as detailed in "***Other Regulatory and Statutory Disclosures***" on page 334.

8. Resolution dated August 19, 2024 passed by the Board, approving this Draft Red Herring Prospectus.

9. Resolution dated August 19, 2024 passed by the Audit Committee, approving the key performance indicators of the Company.

10. Business transfer agreement dated November 1, 2017, between M/s. Unimech Consulting Engineers and our Company.

11. Equity share sale and transfer memorandum dated December 12, 2023, between our Company, M/s. Pearl Enterprise and Unimech Healthcare Private Limited.

12. Report titled "Overview of Global Tooling & PEC Market" dated August 17, 2024, issued by F&S pursuant to an engagement letter dated March 20, 2024 entered into with our Company.

13. Consent letter dated August 17, 2024 issued by F&S with respect to the report titled "Overview of Global Tooling & PEC Market" dated August 17, 2024.

14. The examination report dated August 19, 2024 of the Statutory Auditors on the Restated Consolidated Financial Information.

15. The report dated August 19, 2024 of the Statutory Auditors, on the statement of special tax benefits available to our Company, our Shareholders and our Material Subsidiary.

16. Consent dated August 19, 2024 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) the examination report dated August 19, 2024 on the Restated Consolidated Financial Information, and (ii) the report dated August 19, 2024 on the statement of special tax benefits, included in this Draft Red Herring Prospectus.

17. Consent dated August 19, 2024 from the Vishnu Daya & Co LLP, the Independent Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as our "Independent Chartered Accountants", and in respect of certain certificates to be included in this Draft Red Herring Prospectus.

18. Consent dated August 19, 2024 from Nagsons Engineers & Consultants, Independent Chartered Engineer, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in its capacity as an independent chartered engineer, in relation to their certificates.

19. Consent dated August 18, 2024 from Kalaivani S, practising company secretary, to include her name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in her capacity as a practising company secretary, in relation to her certificates.

20. Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Statutory Auditor, Bankers to our Company, the Book Running Lead Managers, the Registrar to the Offer, Syndicate Members, Public Offer Bank, Escrow Collection Bank Refund Bank and Sponsor Banks and Monitoring Agency.

21. Resolution of the Board dated April 30, 2024, in relation to appointment of Anil Kumar P as the Managing Director of our Company.

22. Tripartite agreement dated April 15, 2024, among our Company, NSDL and the Registrar to the Offer.

23. Tripartite agreement dated March 7, 2024, among our Company, CDSL and the Registrar to the Offer.

24. Certificate from Vishnu Daya & Co LLP, the Independent Chartered Accountants dated August 19, 2024 in relation to certain key performance indicators concerning our Company's operational and financial performance.

25. Shareholders' agreement dated July 16, 2024, entered into by and amongst our Company, our Promoters, ValueQuest SCALE Fund (a scheme of ValueQuest Alternate Investment Trust), Evolvence India Fund IV Ltd, and Steadview Capital Mauritius Limited.

26. Share subscription agreement dated July 16, 2024, entered into by and amongst our Promoters, our Company, ValueQuest SCALE Fund (a scheme of ValueQuest Alternate Investment Trust), Steadview Capital Mauritius Limited and Evolvence India Fund IV Ltd.

27. The employee stock option scheme of our Company titled, "Unimech Employee Stock Option Policy, 2024" approved by our Board and Shareholders on June 22, 2024.

28. Valuation report of the Company dated May 31, 2024 prepared by Nikhil P Chandak for the Share subscription agreement dated July 16, 2024, entered into by and amongst our Promoters, our Company, ValueQuest SCALE Fund (a scheme of ValueQuest Alternate Investment Trust), Steadview Capital Mauritius Limited and Evolvence India Fund IV Ltd.

29. Due diligence certificate to SEBI from the BRLMs dated August 19, 2024.

30. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.

31. Final observations letter bearing number [●] dated [●] issued by SEBI.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992, each as amended, or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Anil Kumar P
Designation: Chairman and Managing Director
Place: Bangalore
Date: August 19, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992, each as amended, or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY

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Ramakrishna Kamojhala
Designation: Whole-time Director and Chief Financial Officer
Place: Bangalore
Date: August 19, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992, each as amended, or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Mani P
Designation: Whole-time Director
Place: Bangalore
Date: August 19, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992, each as amended, or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Rajanikanth Balaraman
Designation: Whole-time Director
Place: Bangalore
Date: August 19, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992, each as amended, or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Preetham S V
Designation: Whole-time Director
Place: Bangalore
Date: August 19, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992, each as amended, or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Mukund Srinath
Designation: Independent Director
Place: Bangalore
Date: August 19, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992, each as amended, or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Ashok Tandon
Designation: Independent Director
Place: Bangalore
Date: August 19, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992, each as amended, or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Vidya Rajarao
Designation: Independent Director
Place: Bangalore
Date: August 19, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992, each as amended, or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Pavan Krishnamurthy
Designation: Independent Director
Place: Bangalore
Date: August 19, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992, each as amended, or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sridhar Ranganathan
Designation: Independent Director
Place: Bangalore
Date: August 19, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992, each as amended, or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF THE COMPANY

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Ramakrishna Kamojhala
Designation: Chief Financial Officer
Place: Bangalore
Date: August 19, 2024

DECLARATION

I, Ramakrishna Kamojhala, acting as a Promoter Selling Shareholder, hereby confirm, certify, and declare that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about and in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Name: Ramakrishna Kamojhala
Place: Bangalore
Date: August 19, 2024

DECLARATION

I, Mani P, acting as a Promoter Selling Shareholder, hereby confirm, certify, and declare that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about and in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Name: Mani P
Place: Bangalore
Date: August 19, 2024

DECLARATION

I, Rajanikanth Balaraman, acting as a Promoter Selling Shareholder, hereby confirm, certify, and declare that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about and in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Name: Rajanikanth Balaraman
Place: Bangalore
Date: August 19, 2024

DECLARATION

I, Preetham S V, acting as a Promoter Selling Shareholder, hereby confirm, certify, and declare that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about and in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Name: Preetham S V
Place: Bangalore
Date: August 19, 2024

DECLARATION

I, Rasmi Anil Kumar, acting as a Promoter Group Selling Shareholder, hereby confirm, certify, and declare that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about and in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Name: Rasmi Anil Kumar
Place: Bangalore
Date: August 19, 2024